Problems of Communism

JANUARY-FEBRUARY 1987

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Problems of Communism

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JANUARY-FEBRUARY 1987 VOL XXXVI

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Cover. Mikhail Gorbachev welcomed by Indian Prime Minister Rajiv Gandhi upon the Soviet leader's arrival at New Delhi in November 1986. Photo by TASS from Sovfoto.

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Moscow's Indian Alliance

Jyotirmoy Banerjee

Indira Gandhi's assassination in October 1984 introduced new uncertainties into Moscow's dealings with New Delhi. India's newly elected Prime Minister Rajiv Gandhi was billed widely as a young man with a modern outlook and a penchant for technology and efficiency, all of which endeared him to the West but made Moscow nervous. Still, despite India's growing ties with the West, in the course of his four meetings with Gandhi, Mikhail Gorbachev has been able to reinvigorate Moscow's close economic and political ties to India and to demonstrate the broad convergence of Indo-Soviet security interests.

Indo-Soviet Economic Ties

Dilip Mukerjee

The Indo-Soviet economic relationship is not without its troubles and owes a great deal of its continuity and recent revitalization to political motivations on both sides. Recent surpluses in Indian civilian-goods trade with the USSR tend to be offset by Soviet shipments of a wide range of military items on concessionary economic terms. The extension of large Soviet civilian credits to India in 1985-86 seems intended to cement Moscow's ties with a key political asset in the region.

Soviet Eurasian Empire and the Indo-Persian Corridor

Milan Hauner

The Indo-Persian Corridor to the south of the Soviet Union has rarely been accorded top priority in Russian/Soviet strategic planning. Yet constant Kremlin concern about the threat of war on the USSR's eastern and western extremities makes this region of considerable significance, potentially offering Moscow access to warm-water ports on the Persian Gulf or Indian Ocean that could assure a sea lane of communication to the increasingly important Soviet Far East.

The USSR and Israel

Zachary T. Irwin

The Soviet decision to hold an official meeting with Israeli diplomats in Helsinki in August 1986 has fostered expectations in Israel and the West that, despite obstacles, subsequent meetings could lay the groundwork for a normalization of Israeli relations with the Soviet Union. Potentially beneficial for both parties, such a normalization could facilitate the USSR's long quest for brokering a multilateral "comprehensive" Middle East peace while undermining attempts by rejectionist Arab states to isolate Israel diplomatically. While the state of Soviet-American relations will continue to affect Soviet policy toward Israel, it now seems possible that Moscow may come to view Israel as a factor in its Middle East policy rather than one in Soviet-American relations.

(Abstracts continued on reverse side.)

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Life, Work, and Politics in Soviet Cities: First Findings of the Soviet Interview Project

James R. Millar and Peter Donhowe

A survey of recent emigrants from the USSR reveals a major contradiction in "socialist construction": the youngest, most talented, and most successful elements of Soviet society are also the most disaffected. The survey's findings indicate that citizens of the Soviet Union in general have mixed feelings about the system they live under, ranging from general satisfaction with their medical care to belief that private enterprise is the best means of fostering increased agricultural production.

Recent Trends in Japanese-Soviet Trade

Gordon B. Smith

Contrary to what Soviet analysts argue, the underlying causes for the recent 21 percent drop in the volume of trade between Japan and the Soviet Union are rooted in the structure of Japanese-Soviet trade and thus are economic rather than political. Formerly, a resource-dependent Japan exchanged its technology and industrial know-how for imports of Soviet energy resources and raw materials. But a declining Japanese growth rate and a drop in world oil prices has lessened Japanese demand for such Soviet imports.

Essay Reviews

Whither Gorbachev?

Albrecht E. Martiny

Leonid Brezhnev's overly long rule, and the transitional rules of his two ailing and aged successors, built up expectations that the accession of the energetic and youthful Mikhail Gorbachev would herald a "new age" in Soviet development. The fascination with Gorbachev has produced a spate of biographies written in the West. Although not biographies in the real sense, the four books discussed here are informed analyses of current Soviet affairs and tell us much about Gorbachev's career, policy inclinations, and his way of pursuing a "radical restructuring" of the Soviet Union.

Arms Control in Process

Joyce P. Kaufman

Ever since the signing of the Limited Test Ban Treaty in 1963, the arms control process and negotiations have been an important barometer of US-Soviet relations. Recent works underline the delicate and controversial nature of those negotiations and illustrate to what degree their success or failure reflect the broader US-Soviet political and military environment. Yet, arms control does not merely reflect that environment, it can also help to shape it.

China's Socialist Commerce

John Frankenstein

Even if Deng Xiaoping's current reform program were to survive intact, foreign business concerns would still face a myriad of problems in China's system of "socialist commerce," where commodities often substitute for currency and where trade is largely a contest for control over goods. But recent developments in the PRC only serve to underscore the uncertainties of doing business in China, as Chinese elites grapple over the scope and direction of China's future economic and political development.

A Chinese Revolutionary's Odyssey

John Israel

The autobiography of Yue Daiyun, a professor of Chinese literature at Beijing University, gives a remarkable account of the tribulations suffered by a communist who found herself branded as a "rightist" in 1958, was expelled from the party and sent to be "reformed." While she was not directly attacked during the Cultural Revolution, she watched in horror as family, friends, and colleagues fell victim to the violence. Nevertheless, Yue Daiyun accepted reinstatement in the party in 1979 out of the belief that--despite its mistakes--only the party can lead China forward.

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Moscow's Indian Alliance

Jyotirmoy Banerjee

Soviet party chief Mikhail Gorbachev's official visit to India during November 25–28, 1986, assumed a degree of immediate relevance in the host country that had hardly been foreseen a few months earlier. The visit, which took place amidst the tightest security ever,[1] trailed press reports that Pakistan was just "two screwdriver turns" from making a nuclear bomb.[2] It also followed US Defense Secretary Caspar Weinberger's trip to India and Pakistan a month earlier. Weinberger had won favor in New Delhi by promising cooperation in certain areas of military technology, but then irked Indian officials from Islamabad when he agreed to provide Pakistan with AWACS aircraft and Stinger anti-aircraft missiles.[3]

Reports of other unfavorable developments piled up to add to New Delhi's uneasiness. The United States, the Indian press said, would supply Pakistan with modern avionics and armaments for its Chinese-supplied combat aircraft,[4] in part in return for maintaining secret US air and intelligence-gathering bases on Pakistani territory as part of the United States's operations directed against the Soviets.[5] This came on the heels of earlier reports of a Chinese intrusion into eastern India.[6] To top it all off, the Indian press continued to flash stories of active Pakistani encouragement to the Sikh militants operating in India's border state of Punjab. As a result, despite a general upswing of Indo-US relations in the 1980's, New Delhi's long-standing paranoia of a US-Pakistani-Chinese axis bearing down on its security interests was activated just as the Soviet visit drew near.

It was against this backdrop that the 21-gun salute and red-carpet welcome to Gorbachev assumed unusual significance. No less significant was the fact that the Soviet General Secretary, who was meeting India's Premier Rajiv Gandhi for the fourth time in 20 months,[7] held a total of 10 hours of talks with the Indian leader,

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[1]In the context of stepped-up terrorist activity in India and the presence of Afghan refugees in New Delhi, who were ordered to stay in their homes during Gorbachev's visit, the Soviets brought with them seven plane-loads of foodstuffs, security and communications equipment, as well as 31 automobiles. They broke with usual protocol by dispensing with Indian cooks at the official guesthouse. All 10 rooms of the guesthouse were taken over by the KGB three days before the Soviet leader's arrival. Over 500 Soviet security men were said to be in New Delhi in connection with the visit. No Indian personnel were allowed into the Soviet quarters. The KGB irked Indian newsmen by stopping them from snapping pictures of Raisa Gorbachev during an excursion, while allowing Soviet newsmen to do the same. See *India Today* (New Delhi), Dec. 1–15, 1986, p. 99; *The Telegraph* (Calcutta), Nov. 24, 1986, p. 1, and Nov. 28, 1986, p. 7.

[2]This characterization of the status of Pakistan's nuclear weapons program was first given by Bob Woodward, "Pakistan Two Screwdriver Turns From Bomb," *The Washington Post*, Nov. 4, 1986, and then reprinted in *The Telegraph*, Nov. 10, 1986, p. 7.

[3]India's concern was reported in *The Telegraph*, Nov. 16, 1986, p. 4, Nov. 17, 1986, p. 7, Nov. 20, 1986, p. 3, and Nov. 22, 1986, p. 6. AWACS is the shorthand for airborne warning and control system.

[4]Minister of External Affairs K. Natwar Singh mentioned reports of US avionics and arms for the Chinese-supplied fighters of Pakistan. This was in response to a question in Parliament on Nov. 21, 1986. See *The Telegraph*, Nov. 22, 1986, p. 6. Interestingly, Indian newspaper reports give designations of these aircraft as both F-7 and J-7 (cf. ibid., Feb. 1, 1987, p. 1, and Feb. 7, 1987, p. 3, respectively). The J designation is usually used for Chinese fighters (*Jian*), although *The Telegraph* report carrying Minister Singh's statement mentioned F-7 aircraft.

[5]Ibid., and Nov. 23, 1986, p. 3. Traditionally, India has claimed that Pakistan uses US-supplied arms against it. Hence the Indian concern.

[6]Ibid., Jul. 17, 1986, p. 1, and Aug. 17, 1986, p. 1.

[7]They had met previously at Konstantin Chernenko's funeral on March 13, 1985; during a Moscow summit (May 21–26, 1985); and again on Oct. 26 in the Soviet capital. Rajiv spent a few hours in Moscow on Aug. 11, 1986, but did not meet with Gorbachev.

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most of it without aides present.[8] Notable, too, was the entourage that accompanied the Soviet leader. Indeed, the arrival of veteran diplomat Anatoliy Dobrynin—a top Soviet expert on the United States, the current head of the Soviet Central Committee's (CC) International Department, and a CC secretary—days ahead of Gorbachev indicated a Soviet role that went well beyond a hearing-out of the two Indian communist parties.[9] In addition to Dobrynin, Deputy Foreign Ministers Yuliy M. Vorontsov (a former ambassador to India and currently a CC secretary), and Mikhail Kapitsa seemed to have played key roles in organizing the summit. Also along was Marshal Sergey Akhromeyev, the Soviet armed forces chief of staff and a CC member, who held separate talks with the Indian defense official (and Rajiv Gandhi's business executive friend) Arun Singh.

This article analyzes the current status of Moscow's relations with New Delhi in an attempt to place Gorbachev's visit in perspective. It is evident from the numerous reports on the visit that the topics at the forefront of the discussions included shared perceptions of threat to the South Asian security environment and adjacent regions, Gorbachev's "new political thinking," and Indo-Soviet cooperation in political, military, economic, and trade spheres. To gain a better understanding how each of these issues figured in the discussions, however, it is useful first to take a look at the evolving Soviet view of Rajiv Gandhi.

Moscow and Rajiv

Indira Gandhi's assassination in October 1984 introduced new uncertainties into the Kremlin's dealings with New Delhi. Rajiv Gandhi, who succeeded his Prime Minister mother in office and then obtained an unprecedented electoral victory in December 1984, was widely billed as a young man with a modern and technical outlook, one without the ideological biases characteristic of the older generation of politicians who had resisted British imperialism in India. Characteristically, upon his rather reluctant entry into politics in the early 1980's, he introduced modern business management techniques and the use of computers into the administration of the ruling Congress (I) Party. On being elected prime minister, he co-opted friends who were former pilots and business executives into important positions in party and government and launched an unprecedented budget that promised to unleash the private sector while making India's stodgy public sector more accountable. Moreover, his maiden speeches as the elected premier were remarkably free of rhetoric about "socialism." In fact, it was primarily due to the pressure from India's pro-Soviet lobby, partly embedded within the Congress (I), that Rajiv and other prominent party members belatedly made public pronouncements with the reassurance that their policies were in full consonance with "socialism" and that they had no intention of deviating from the "socialist path."[10]

All this made Moscow nervous about the future orientation of India's domestic and foreign policies. From the Kremlin's point of view the stakes were high: a 30-year economic partnership, a 25-year military relationship, and a 14-year friendship treaty. The Soviets had chosen to see Indira Gandhi as a politically reliable partner, despite her initiation of economic liberalization following her comeback to power in 1980,[11] and the persistence of unpublicized differences between the two countries over such issues as Afghanistan and nuclear nonproliferation. But Rajiv was different. Even as he turned a smiling face to the Soviets he was also smiling at the West, his periodic polemics against the latter notwithstanding.

While the Soviets may have drawn satisfaction from the carnage caused at Bhopal by leakage of poison gas from a US-built pesticide plant, some of their trepidations about the Rajiv era in India came through in a number of their early statements. A message to the newly elected Premier from the Soviet Council of Minis-

[8]Details of the summit in "Official Friendly Visit of the General Secretary of the CPSU Central Committee Mikhail Gorbachev to India," *Soviet Review*, USSR Embassy, New Delhi, Dec. 1, 1986, pp. 2–63; *The Telegraph*, Nov. 24–29, 1986; "Indo-Soviet Relations: The Second Honeymoon," *India Today*, Dec. 1–15, 1986, pp. 90–106; and *Frontline* (Madras), Dec. 13–26, 1986, pp. 24–41.

[9]Several high-level visits between Moscow and New Delhi preceded Gorbachev's arrival. Former Indian Foreign Minister P. Shiv Shankar held talks with Gorbachev and handed the latter Rajiv's message in June 1986. Foreign Minister N. D. Tiwari visited Moscow on Nov. 2, 1986, and talked with, among others, Deputy Foreign Minister Yuliy M. Vorontsov. The latter was scheduled to visit New Delhi for the second time in two weeks on Nov. 16 with Soviet drafts of the two documents released later at the summit. Arun Singh, senior Indian defense official, also visited Moscow separately. *The Telegraph*, Nov. 27, 1986, p. 4.

[10]The Communist Party of India (CPI), the Communist Party (Marxist—CPM), numerous other smaller leftwing groups (e.g., the Socialist Unity Centre, the All-India Communist Party), intellectuals, and self-posed leftwingers with the Congress (I) Party can be broadly seen as leaning toward Moscow when it comes to choosing between US and Soviet foreign policies. For example, on such issues as Nicaragua and the Strategic Defense Initiative, among others, they are usually quite vociferous against the US position and allow their stand to reflect the Soviet viewpoint. The dominant Indian political culture, which in part grew out of British Fabian socialism, is partly responsible for many politicians talking in socialist idiom.

[11]I refer here to the greater opening of the protected Indian market to Western investments, the liberalization of the licensing policy for local entrepreneurs to cooperate with foreign firms in the production of goods for the Indian market, and so on.

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ters, which was released on January 2, 1985, sounded as if the Kremlin was seeking reassurance:

In the Soviet Union you are known as a firm adherent of the course of Jawaharlal Nehru-Indira Gandhi . . . . Following this course, India has scored impressive successes in solving socio-economic problems, in developing science, technology and culture and in strengthening its international positions . . . .[12]

The "course," of course, was clear: India's nonalignment, with a tilt toward Moscow, especially in the politico-strategic realm. Remarkable was the Soviet attempt in this message to precommit Rajiv. If up to the point of his election he was "known" at all, it was for his pro-technology and pro-efficiency—and, therefore, image-wise at least, pro-West leanings. Three weeks later, another Soviet message reminded the Indian leader of "the time-tested Soviet-Indian friendly relations based on the solid foundation" of the Friendship Treaty of 1971. It further noted that bilateral relations were marked by "ties of close friendship" and were "an increasingly tangible factor of peace and stability in Asia and in the world as a whole."[13]

This theme has continued under Gorbachev. At the 27th CPSU Congress in February 1986, Yegor Ligachev, the number two Soviet leader, maintained the Soviet tradition of praising the late Indira Gandhi. While Gorbachev, for his part, surged past that tradition at the same Congress (see below), he has on numerous occasions stressed the importance of India and the Soviets' "respect" for Rajiv.[14]

Soviet Arms for India

Nowhere has India's Soviet connection been more important than in the area of military armaments. In June 1980, within six months of her return to power, Indira Gandhi's government signed a US$1.6 billion arms deal with Moscow.[15] Soviet Defense Minister Dmitriy Ustinov's visit to India two years later spawned another deal of nearly $3 billion.[16] And Gorbachev's recent visit has produced yet another set of agreements, partly a carry-over from the past, the total value of which is not yet known. This yields a total *known* amount of well over $4 billion for the 1980's, a quite sizable figure given the highly subsidized Soviet prices of military hardware for India.[17]

How has India been spending this $4 billion plus? The Indian army, according to US sources, is in the process of acquiring about 1,500 Soviet T-72 main battle tanks, over 500 of which had been delivered by early 1986.[18] Some 1,300 of these unassembled T-72's are scheduled for assembly at the Indian plants of Avadi and Medak. In addition, Indian armor includes 700 Soviet T-55 tanks equipped with a 105mm gun. An undisclosed number of Soviet T-80 tanks are reportedly to be delivered as well.[19] India's anti-tank arsenal features Soviet AT-6 Spiral missiles, which would play a major role in a future battle since India sought but failed to procure US-built TOW missiles. Indian infantry units are equipped with 700 armored personnel carriers from Eastern Europe, some of which carry the Sagger anti-tank missile and the 73mm hypervelocity cannon from the USSR.[20] Gorbachev's visit has produced an agreement to press into service more of the heavily armed Mi-24 Hind helicopters, employed with deadly effect in Afghanistan, and introduce into the Indian armed forces the Mi-26 Halo, the world's biggest transport helicopter. Some of these would play a key role in the "utility squadrons" of helicopters that the Indian army is currently raising.[21]

India's artillery includes 550 Soviet 130mm guns with a range of 32 kilometers. These were used with good effect in the 1971 war against Pakistan. In addition, Soviet S-23 180mm and D-20 150mm howitzers have been recently introduced into Indian artillery brigades.[22] The Soviet-built BM-21 multiple-rocket-launcher has been deployed, and it is possible that the

[12]*Soviet Review*, Jan. 10, 1985, p. 4.

[13]Ibid., Feb. 7, 1985, p. 2.

[14]"XXVII CPSU Congress," ibid., Mar. 3, 1986, p. 4; see Mikhail S. Gorbachev, *A Time for Peace*, New York, Richardson & Steirman, 1985, for his interview with the Press Trust of India on May 18, 1985, p. 114; comments during Rajiv's visit to Moscow on May 21, 1985, pp. 128, 130; reply to an Indian institute's letter, p. 232. Gorbachev's report on the Geneva summit and the international situation, dated Nov. 27, 1985, quoted in "Mikhail Gorbachev about India and Soviet-Indian Relations," *Soviet Review*, Dec. 1, 1986.

[15]The deal involved a 17-year credit at 2.5 percent interest. See Drew Middleton, "Pakistan Aid: Frail Shield?" *The New York Times*, Jul. 12, 1981.

[16]US Department of Defense, *Soviet Military Power 1985*, Washington, DC, Government Printing Office, 1985, p. 128.

[17]It is difficult to get a firm grasp of the extent of Soviet price subsidies, since neither the Soviets nor the Indians publish such data. According to *Soviet Military Power 1985*, however, the Soviet Union makes available to India "excellent prices and extremely favorable pay-back terms" (p. 128).

[18]Ibid., p. 66; US Department of Defense, *Soviet Military Power 1986*, Washington, DC, Government Printing Office, 1986, p. 136; and Ashley Tellis, "Who Will Win the Next War?" *Gentleman* (Bombay), April 1986, pp. 39, 41.

[19]*Frontline*, Dec. 13–26, 1986, p. 27.

[20]Tellis, loc. cit., p. 41.

[21]Indian army Chief General K. Sundarji's statement of Dec. 11, 1986, in *The Telegraph*, Dec. 12, 1986, p. 5. "Utility squadrons" are helicopter units, included among which are anti-tank guided-missile helicopters, that the army is acquiring from the air force to boost the army's aviation capabilities. See ibid.

[22]Tellis, loc. cit., p. 41.

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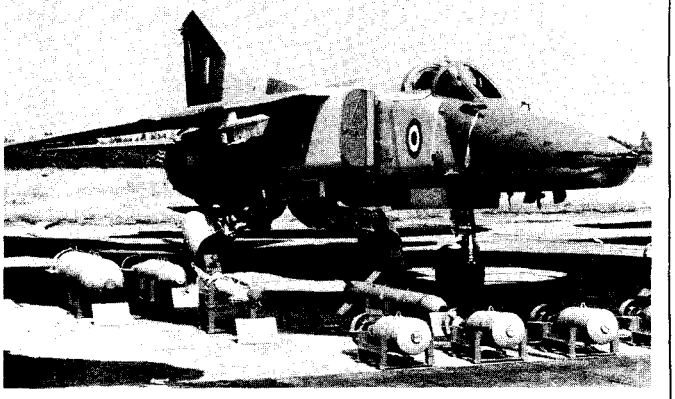

Soviet military equipment in the inventory of the Indian armed forces: above, a MiG–27 all-weather advance strike aircraft; to right, a T–72 tank.

—From Ministry of Defence, Government of India, Annual Report, 1985–86 and Annual Report, 1984–85.

16-tube, 220mm BM-27 rocket launcher, which has been used extensively in Afghanistan, is now in the pipeline as well. In India's anti-aircraft arsenal, Soviet-supplied SA-2's are being replaced by the SA-4, SA-6, and SA-9; and the forward army units are to be equipped with SA-11's. Besides, the ZSU-23-4 self-propelled, radar-guided anti-aircraft system used against Israeli planes in the 1973 Yom Kippur War has been deployed in India.

The current expansion plans of the Indian air force (IAF) envisage about 11 more attack squadrons of Soviet-supplied aircraft (three squadrons of the MiG-23 BN along with eight of the MiG-27 M).[23] (The IAF has another eight MiG-21 MF squadrons in reserve for short-range attacks.) Earlier, in March 1984, the Soviets had promised delivery of the MiG-29 Fulcrum, which at that time, according to US sources, had not even entered the air forces of Moscow's Warsaw Pact allies.[24] Some two years later, in July 1986, the Indian press reported that India had rejected a "sanitized" version of the MiG-29 but agreed to a one-year delay in the delivery schedules for a "full up" version.[25] Gorbachev's visit spawned a Soviet agreement to advance the schedules by four months.[26] In fact, the first batch of MiG-29's arrived in Bombay in the beginning of January 1987.[27]

The Soviet-supplied component of the Indian navy has an assortment of missile corvettes, missile boats, and anti-submarine frigates. During Gorbachev's visit, it became known that the Soviets agreed to supply six Kilo-class diesel-powered attack submarines (one report added the Tango-class to the Soviet offer).[28] Kresta II-class cruisers, which are more powerful than India's upgraded Soviet-supplied Kashin-class vessels, are also in the supply pipeline.[29] Moreover, there are unconfirmed reports that when then Defense Minister P.V. Narasimha Rao went to Moscow in April 1985, the Soviets offered a nuclear-powered submarine,[30] perhaps in order to help India in its search for

[23]Ibid., p. 44. There are also several other attack squadrons being set up, involving Jaguar and other non-Soviet aircraft (ibid.). It may be noted here that the accident rate of the MiG-23's supplied to India has been high. Also, one of the first MiG-25's delivered to India crashed. See *India Today*, Dec. 1–15, 1986, p. 104.

[24]*Soviet Military Power 1985*, op. cit., p. 128. The Soviets apparently made this promise in part to counter a French offer of its top-of-the-line Mirage 2000.

[25]*The Telegraph*, Jul. 28, 1986, p. 4.

[26]*India Today*, Dec. 1–15, 1986, p. 102.

[27]*The Telegraph*, Jan. 5, 1987, p. 1.

[28]*India Today*, Dec. 1–15, 1986, p. 103. Classified by the Pentagon as "attack submarines," the Kilo and the Tango are the only significant diesel-powered submarines of that genre in the Soviet fleet. See chart in *Soviet Military Power 1986*, op. cit., p. 84.

[29]*Frontline*, Dec. 13–26, 1986, p. 27.

[30]As in the case of several other weapons systems, this was partly a move to limit third-party, this time West German, encroachment in India's submarine market. Like many other cases of advanced Soviet weaponry over the decades, India would be the first Third World nation to receive the Kilo submarines. When questioned by an interviewer on that story, India's navy Chief Admiral R. H. Tahiliani avoided a direct answer. See Appan Menon, "Balanced Navy Essential," *Frontline*, Dec. 13–26, 1986, p. 118.

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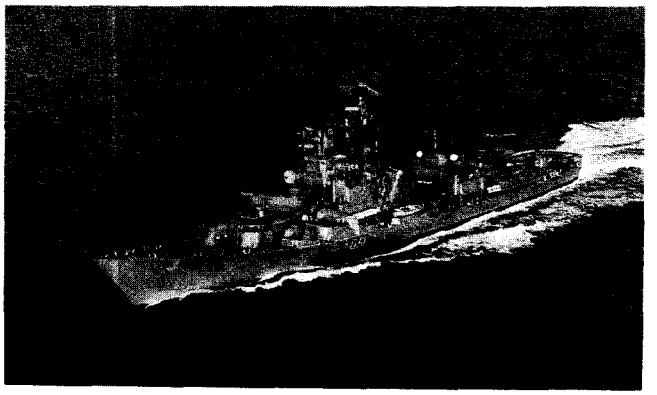
suitable counters to Pakistan's six Daphne and Agosta-class submarines.

However, the Soviet Styx missiles, which many of India's surface combat vessels carry, and which devastated Karachi port in the 1971 war, are no match for Pakistan's US-supplied sea-skimming Harpoons. In the realm of anti-submarine warfare, India deploys, among others, Soviet Kamov-25 missiles.

India's long coastline and large merchant fleet need effective maritime defense. Hence, long-range and sophisticated maritime reconnaissance is a must. Three Soviet frontline Il-38's have met the need so far. Gorbachev's visit brought forth the Soviet assurance of transfer of the 5,000 km-range Tu-14 Bear F reconnaissance aircraft.[31] India also acquired the reconnaissance version of the MiG-25 Foxbat. When the Indian side requested that the Soviets supply their Il-76 Mainstay AWACS aircraft in order to meet the perceived challenge from the expected US delivery of hi-tech AWACS to Pakistan, the Soviets reportedly pleaded that the aircraft had not yet been perfected and offered the less sophisticated Tu-124 Moss instead.[32]

In transport aircraft, Moscow began delivery of the An-32 Cline tactical transport aircraft in July 1984, that is, following Ustinov's second and last visit to India. The An-32, which is named Sutlej in India, constitutes the chief mode of Indian military air transport. Three Il-76 Candid heavy transport aircraft were also delivered in 1985.[33]

During its brief tenure in New Delhi (1977–79), the Janata government had set a trend of diversifying arms procurement. Ever since then, the Soviet role as easily India's most significant arms supplier has come to be somewhat delimited by successful competition from Western Europe (though not yet from the United States).[34] Neither his mother nor Rajiv seemed to mind. But such competition sent Ustinov rushing off to New Delhi in 1982 and 1984 in an effort to shore up



The Rajput, *first of a series of Soviet Kashin-class guided-missile destroyers commissioned in the Indian Navy; it went into service in October 1980.*

—From Ministry of Defence, Government of India, *Annual Report, 1985-86.*

Soviet arms supply. It also activated a number of high-level military exchanges between Moscow and New Delhi during 1985 and 1986.[35]

Moscow, of course, has long made available excellent prices and payback terms, which include payment in rupees. It also continues to offer India production licenses for some of its frontline weapons. Reportedly, Moscow is even happy to buy avionics and French-licensed helicopters being produced in India.[36] Unlike the West, however, its primary motive for wanting to dominate India's defense market is political, not economic. Indeed, Moscow simply does not want New Delhi hobnobbing with Western military men or coveting their equipment.

Trade and Economic Relations

Rajiv's visit to the Soviet Union in May 1985 had spawned long-term agreements on basic guidelines for cooperation in the economic, trade, and science and technology areas. The agreements envisaged use of India's private sector expertise and joint ventures in third countries. On December 23 of that year, there followed the signing of further agreements on "mutual

[31]The turboprop Bear F long-range maritime reconnaissance aircraft, which is equipped with sophisticated sensors, can be used for anti-submarine warfare. Along with the Bear D, it is "regularly deployed to staging bases in Cuba and Angola and continuously to Vietnam." See *Soviet Military Power 1986*, op. cit., p. 102.

[32]*India Today*, Dec. 1–15, 1986, p. 102.

[33]*Soviet Military Power 1985*, op. cit., p. 128, and *Soviet Military Power 1986*, op. cit., p. 136.

[34]Contrary to press speculation in both countries in recent years, the rumored US$1 billion arms deal between India and the United States has never materialized. However, since Rajiv came to power, the Reagan administration has sent a number of high-level defense officials to India, including Caspar Weinberger, whose visit to New Delhi in mid-October 1986 was the first to that capital by a US Defense Secretary. It raised expectations in the host country about the sale of the Cray supercomputer and selected Northrop hi-tech avionics for a light combat aircraft. See "Maintaining a Balance," *Newsweek* (New York), Dec. 8, 1986, p. 26.

[35]The known exchange of visits, in addition to Defense Minister Ustinov's two to New Delhi in 1982 and 1984, include then Soviet Aviation Industry Minister Ivan Silayev's visit to the India capital and then Indian Defense Minister P. V. Narasimha Rao's visit to Moscow at the beginning and end of March 1985, respectively; the mid-May 1985 visit of Soviet air chief and currently CC member Aleksandr Yefimov to India; and a high-level Indian defense team's arrival in Moscow on Nov. 1, 1986. See "Indo-Soviet Diary 1985," *Soviet Review*, Feb. 10, 1986, pp. 21, 23, 37; and *The Telegraph*, Nov. 1, 1986, p. 1.

[36]*India Today*, Dec. 1–15, 1986, p. 103.

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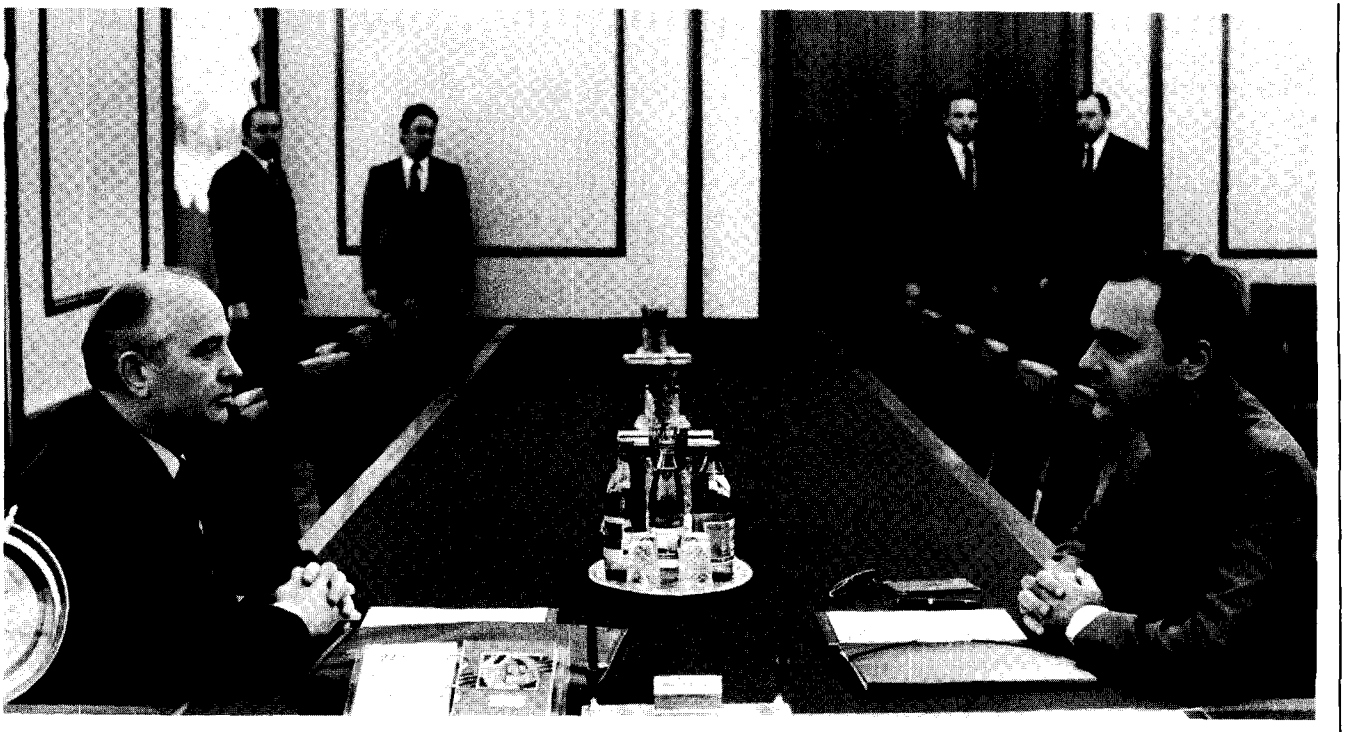

Soviet party General Secretary Mikhail Gorbachev and Indian Prime Minister Rajiv Gandhi size up one another at a meeting on May 22, 1985, in the Kremlin.

—TASS from Sovfoto.

delivery of goods," trade, and deferred payments.[37] The trade agreement visualized growth of 1.5 times during 1986–90. Later that month came a protocol calling for more cooperation in the power sector following a review of past cooperative efforts in that sphere.

Several years later, in April 1986, Soviet Deputy Premier I.V. Arkhipov headed a Soviet delegation to the 10th session of the Indo-Soviet Joint Commission in New Delhi. The outcome of the session showed that the Soviets and the Indians confined themselves largely to the traditional areas of Soviet aid, that is, oil, coal, and power. This reflected limited Indian interest in Soviet technology in such areas as electronics and communications. The Soviets also promised to modernize the steel plants they had earlier helped set up in India, and they invited New Delhi to undertake civil construction of three hotels in Uzbekistan.[38]

On April 29, a joint protocol was signed as a follow-up to the 1985 guidelines agreements. On November 27, 1986, while Gorbachev was in New Delhi, India's Foreign Minister N.D. Tiwari initialed an agreement on new projects in the traditional areas mentioned above. Under the agreement, the Soviets would provide 1.5 billion rubles of credit.[39] This would be in addition to the 1 billion committed during Rajiv's visit the previous year. Thus, Moscow underwrote a total credit of 2.5 billion rubles in 18 months. Following Gorbachev's visit, bilateral trade was to almost quadruple in six years, to Rs.13,000 crores by 1992.[40]

Soviet "generosity" with ruble credits reflects in fact Moscow's desire to provide a needed shot in the arm to reverse their unfavorable position in trade with India.[41] Ironically, India's own industrial growth, partly Soviet-aided, has backfired on Moscow, limiting demand for Soviet industrial goods. The emergence of new industries in India such as the manufacture of modern automobiles, consumer electronics, and so forth, has induced Indian enterprises, both government-owned and private, to turn to the West for hi-tech and know-how rather than to the Soviet Union. Falling

[37]"Indo-Soviet Diary 1985," loc. cit., p. 78.

[38]*Soviet Review*, May 12, 1986, pp. 30–31.

[39]*The Telegraph*, Nov. 28, 1986, p. 1.

[40]*India Today*, Dec. 1–15, 1986, p. 105. One crore equals 10 million (8 digits).

[41]The following discussion of Indo-Soviet trade draws on *Frontline*, Dec. 13–26, 1986, pp. 27–28; *India Today*, Dec. 1–15, 1986, pp. 105–106; *The Telegraph Supplement*, Nov. 25, 1986, p. 16; Bohdan Nahaylo, "Gorbachev's Asian Debut: The Visist to India," Radio Free Europe-Radio Liberty (hereafter RFE-RL), *Radio Liberty Research* (Munich), RL 440/86, Nov. 26, 1986; "Seminar on Indo-USSR Trade and Economic Relations," *Soviet Review*, Jan. 30, 1986, pp. 3–71 (hereafter "Seminar"). The seminar was held in New Delhi during Jan. 2–3, 1986. (See also the accompanying article by Dilip Mukerjee—Eds.)

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prices worldwide also cut into Soviet earnings from the export of petroleum and pertroleum derivatives, which accounted for 76.8 percent of India's imports from the USSR during 1979–82.[42] Moreover, the Soviets have a real problem in terms of the salability of their goods, which are thought to be of inferior quality when compared with those from the West and Japan. Little wonder that since the fiscal year ending March 1971, in a dramatic reversal of past trends, India has mostly enjoyed a trade surplus with them. As the Soviets hint, not too subtly, they are in a hurry to see this imbalance corrected in the "objective interests" of balanced trade.[43]

Besides, the United States has edged past the USSR as India's largest trade partner over the past few years. The Soviets, according to Indian reports, apparently suspect active opposition to Soviet trade by a West-oriented lobby among the middle-level bureaucrats in New Delhi.[44] While periodic high-level Indo-Soviet meetings usually end on a euphoric note with a lot of mutual promises, such promises are often not carried through subsequently. This may in part be due to the inherent difficulties of translating general guidelines into specific procedures. But it also reflects growing Indian dissatisfaction with trade dealings with the Soviet Union. Indeed, a Soviet trade official in New Delhi gave vent to Moscow's "surprise and regret" at the alleged "disinformation" and "the easiness with which [reports containing disinformation] find their way to the pages of certain respectable newspapers and magazines" in India regarding Soviet economic malaise and exhausted benefits for that country from its Soviet trade.[45]

The larger issue of economic malaise and exhausted benefits aside, there have been numerous specific complaints by Indian officials and entrepreneurs. For example, there have been unpublicized murmurs of dissatisfaction in India over the rupee-ruble ratio. This came up again during Gorbachev's visit, as India resisted another Soviet thrust at further devaluation of the rupee.[46] There have also been periodic complaints that the Soviets divert Indian goods exported to them for sale in other markets. Moreover, as entrepreneurs in the Indian private sector complain, the Soviets do not buy the same items steadily over the years. Said an Indian businessman: "They bought 30 crores [of rupees] of detergents in 1982–83, and none the next year."[47] Such shifts have caught many Indian companies flat-footed. Further, lack of Soviet spare and replacement parts and of after-sales service is a major impediment to the import of Soviet technology. The Soviets, for their part, have complained about Indian pricing, quality of goods, and delivery habits.[48]

As part of the drive to boost their negative trade balance with India, the Soviets sent a Gosplan team to New Delhi in October 1985 to fill the "information gap" that allegedly exists within India's business community on "the potentials of the Soviet economy and exports."[49] An Indo-USSR Chamber of Commerce was also set up in early 1986—no doubt under active Soviet encouragement—which has identified over 100 potential joint ventures involving India's private sector. The Soviets have been wooing this private sector in recent years and clearly expect it to bail them out.[50]

But the Soviet task is a difficult one. The Indian private sector accounts for 90 percent of all India's exports to the Soviet Union but only 10 percent of India's imports from that country.[51] On the positive side of the Soviet ledger, Soviet trade with the private sector has created an Indian lobby with a stake in perpetuating such trade. Moscow's trade with India, which grew from Rs.1.3 crores in 1953–54 to Rs.4,620 crores in 1985, has generated large rupee holdings, which the Soviets have used for political purposes in the host country.[52]

The Politics of Nuclear Disarmament

Already in January 1985 Rajiv Gandhi's government had profiled itself in the international arena by playing

[42] *The Telegraph Supplement*, loc. cit., p. 16.

[43] Soviet trade official in India V. I. Posdniakov's speech, in "Seminar," loc. cit., p. 46.

[44] *India Today*, Dec. 1–15, pp. 101–02.

[45] Soviet trade official in India N. I. Aleksandrov's speech, in "Seminar," loc. cit., p. 37.

[46] *India Today*, Dec. 1–15, 1986, p. 105.

[47] Ibid., p. 106.

[48] Soviet trade official in India G. N. Saposhnikov's speech, in "Seminar," loc. cit., pp. 38–43. As the official bluntly put it to his Indian audience, "If and when Indian firms start producing modern up-to-date production corresponding to the world standards of quality and observe strictly all contractual obligations, we do not foresee any difficulties in importing from India those large quantities of goods which are stipulated in the long-term agreement" (p. 42).

[49] Aleksandrov speech, loc. cit., p. 37.

[50] Another way the private sector has been of benefit to the Soviets is as a conduit for espionage. A highly publicized scandal in New Delhi in early 1985, for example, exposed illegal Soviet access to government secrets through private firms which enjoyed, or were promised, large export orders from the USSR. It should be noted that similar East European and French dealings with private firms were also uncovered. See, e.g., "Bureaucrat, Diplomat, Industrialist, Spy," *Sunday* (Calcutta), Feb. 3–9, 1985, pp. 14–31; "Red Spies in India," *The Week* (Cochin, India), Mar. 3–9, 1985, pp. 18–27; and *India Today*, Feb. 28, 1985, pp. 31–32.

[51] I. Semyonev, "Bright Prospects of Soviet-Indian Trade," *Soviet Review*, Jul. 15, 1985, p. 18.

[52] Critics, for instance, point out that India's rice trade with the Soviet Union is used by the latter to channel money to friendly political parties in India. *India Today*, Dec. 1–15, 1986, p. 106.

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American Secretary of Defense Caspar Weinberger is welcomed to New Delhi by Indian Minister of State for Defence Arun Singh on October 11, 1986.

—Wide World.

host to, and joining, the six-nation Delhi conference on nuclear disarmament which outlawed nuclear weapons and went against known US and NATO positions. The conference and the ensuing "Delhi Declaration" reflected a continuation of the Indian initiative introduced by Indira Gandhi at the United Nations in 1982. India under Rajiv has subsequently been active in reviving the Delhi call for nuclear disarmament. For example, at CPSU General Secretary Konstantin Chernenko's funeral in March 1985, Gorbachev and Rajiv in their first official encounter agreed on a number of points pertaining to the issue. Additional exchanges of views took place during Rajiv's three subsequent visits to the Soviet Union. He talked with academician Ye.M. Primakov, rumored to be Gorbachev's foreign policy adviser, in September 1985. In March 1986, he had further meetings with Premier and Politburo-member Nikolay Ryzhkov in Oslo and with Alternate Member of the Politburo Pyotr Demichev in New Delhi.

The Reagan administration, to be sure, has conveyed its viewpoint on nuclear arms control to India.[53] But this is not likely to have a significant effect on New Delhi's support for the Soviet proposals as articulated by Gorbachev at Reykjavik and New Delhi. This is partly because India must pay a price for Soviet political and material support. It is also as much because moralizing on such issues as universal disarmament has long been part of the ritualistic preachings of both Moscow and New Delhi. The high-sounding moralistic thoughts appeal to a wide range of nations, especially in the Third World, which often, publicly at least, show little understanding, or patience, for the complexities of the issues and the pragmatism and skepticism of the Western experts. As a result, India, considered by many to be a leader of the Third World, continues to espouse its long-professed devotion to peace, which suits Moscow only too well.

What lends an unusual quality to Gorbachev's peace proposals and initiatives is that they appear to be uncharacteristically open and responsive to US demands. They range from surprise concession at Reykjavik to almost all of the Reagan administration's "deep cut" initiatives on strategic and intermediate-range arms, through several extensions of a unilateral nuclear moratorium, to a partial opening to international inspection of the Gegelan Hills nuclear test-site in Kazakhstan.[54] All these unusual concessions, of course, are aimed at derailing the Reagan administration's Strategic Defense Initiative (SDI), or Star Wars project. But they have had another important political fallout. Reagan had succeeded in shifting the long ossified paradigm of mutual assured destruction (MAD) to one stressing physical defense and reduced strategic offensive power. The Soviets reeled back under that bold US move. However, Gorbachev is now trying to seize the initiative from Reagan by carrying through the consummation of the US-proposed paradigm which would leave both superpowers with drastically cut nuclear offensive weapons and *without* the SDI shield, considered destablilizing by the Soviets.

As already seen, Gorbachev and other high Soviet officials have on many occasions indicated that they considered India an important platform for launching the latest Soviet peace offensive.[55] Mikhail Kapitsa, for instance, rushed to New Delhi on October 16, 1986, to brief Indian officials on the US-Soviet arms control talks in Reykjavik. Rajiv has voiced criticism of SDI on several occasions, which was music to Soviet ears. Given the frequency of high-level Indo-Soviet talks held in the Gorbachev era on nuclear disarmament, the 10-point Indo-Soviet Delhi Declaration, which was issued in addition to the joint communiqué, hardly came as a surprise. While eight of the ten points continued to be in the pious tradition, the last two,

[53]Defense Secretary Weinberger gave Rajiv a demonstration of Star Wars plans during the latter's US visit in June 1985. Arms control expert Max Kampelman visited New Delhi in mid-June 1986, while US Arms Control and Disarmament Agency officials visited in November that same year.

[54]RFE-RL, *Radio Liberty Research*, RL 380/86, Oct. 8, 1986, p. 2.

[55]See note 14.

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which were pragmatic,[56] were evidently designed by the Soviets to catch the United States flat-footed. If Reagan wanted to replace MAD in his own way—for example, through Star Wars defense—then the Soviets would replace it in their own way, by mobilizing India's support to propose a "comprehensive international security" as the substitute.[57] The Declaration also called for an immediate international convention to outlaw nuclear weapons. Further, Gorbachev reiterated that Moscow was willing to begin talks with the United States on big cuts in naval presence in the Indian Ocean, which has been New Delhi's long-standing goal. It was also evident from his address to India's Parliament that nuclear disarmament was to remain his pet theme in the host country and beyond. He was low-key in his rhetoric regarding national liberation struggles and restrained in his criticism of the United States and Pakistan.

The long joint statement reiterated the nuclear theme.[58] India allowed itself to show transparent expectation that the United States should join the Soviet-initiated nuclear moratorium. Not unexpectedly, there was no specific mention of the Afghanistan problem, which reconfirmed the residue of continued differences between the two nations.

But the bonhomie was somewhat jarred on China. On November 3, a few weeks prior to Gorbachev's visit, India's new Foreign Minister N.D. Tiwari was in Moscow apparently to seek Soviet assurances on India's newly erupted border dispute with China. Gorbachev told him that Moscow would do nothing to harm India's "real interests."[59] The word "real" was tricky and "dialectical," given long-standing Soviet reservations about India's claim to some of the disputed regions on the China border and given recent signs of improving Sino-Soviet relations. At his New Delhi press conference, Gorbachev said that Moscow would not mediate in the Sino-Indian dispute and observed that the problem could be solved on the basis of "reality and historical facts."[60] This carefully vague statement hardly sounded reassuring to Indian leaders. The "reality" was that a large chunk of Indian-claimed territory in the northwest, the Aksai Chin area, was under effective Chinese control. And "historical facts" remained controversial at best. The Soviet leader answered noncommittally a direct question whether Moscow would come to "friend" India's rescue, should the "brother" (Gorbachev's own word) state of China launch an attack.[61]

Asian-Pacific Security

Gorbachev's "new political thinking" hangs together with the ideas of "global problems" and international "interdependence."[62] A part of this general problem is the notion of Asian-Pacific security, which the General Secretary broached during Rajiv's Soviet visit in 1985. On December 20 of that year, Soviet Foreign Minister Eduard Shevardnadze held talks with then Indian ambassador, Nurul Hassan, on Asia's flashpoints and encouraged New Delhi to work toward "a political dialogue among all states of the continent."[63] Gorbachev again raised the issue while in Vladivostok in July and in Moscow in November of the following year. On the latter occasion, during an interview with Indian newsmen on Soviet television, he categorically stated that "we, naturally, count on India's great contribu-

[56]Points one through eight highlight the importance of "peaceful coexistence" among nations, "human life," "non-violence," "understanding and trust," political and economic independence, socio-economic development (rather than arms buildup), international cooperation for the "harmonious development" of the individual, and the use of man's "material and intellectual potential . . . to solve global problems."

Point nine stresses that the "balance of terror" must give way to "comprehensive international security." East, West, North, and South, irrespective of "social systems, ideologies, religion or race, must join together in a common commitment to disarmament and development." Accordingly, "integrated measures" in nuclear disarmament, "using all available and agreed measures of verification and confidence building, just political settlement of regional conflicts," are needed to "guarantee international security."

Point 10 envisages a "nuclear weapon-free and non-violent world," which requires such "immediate action" as, among others, the "complete destruction of nuclear arsenals" before the end of the century; the "barring of all weapons from outer space"; the "banning of all nuclear weapons tests"; the "prohibition of the development of new types of weapons of mass destruction," including chemical weapons; and the reduction of conventional arms and armed forces. India and the USSR also propose that an international convention banning the use or threat of use of nuclear weapons be concluded immediately. Finally, note is taken of "the gathering of strength of the coalition for peace, [that is], the nonaligned movement, the six nation five continent initiative for peace and disarmament, all peace-loving countries, political parties, and public organisations." Full text in *People's Democracy* (New Delhi), Dec. 7, 1986, p. 4.

[57]See, e.g., point nine in fn. 56.

[58]Full text in *People's Democracy*, Dec. 7, 1986, pp. 4, 8.

[59]*The Telegraph*, Nov. 4, 1986, p. 1.

[60]Ibid., Nov. 29, 1986, p. 1.

[61]Ibid.

[62]The ideas preceded Gorbachev's articulation in the USSR. US National Security Adviser Zbigniew Brzezinski had also advocated "interdependence" in the early years of the Carter administration. See Zbigniew Brzezinski, *Power and Principle: Memoirs of the National Security Adviser, 1977-1981*, New York, Farrar, Straus, and Giroux, 1983, pp. 51–57. Gorbachev's ideas are discussed in Boris Meissner, "The CPSU between Stagnation and Reform," *Osteuropa* (Stuttgart), August-September 1986, pp. 599–602; and Charles Glickman, "New Directions for Soviet Foreign Policy," RFE-RL, *Radio Liberty Research, RL Supplement* 2/86, Sept. 6, 1986, pp. 8–9. Also Gorbachev's interview with Indian newsmen on Soviet TV on Nov. 21, 1986, in *Soviet Review Supplement*, Nov. 24, 1986, pp. 8–10.

[63]"Indo-Soviet Diary 1985," loc. cit., pp. 77–78.

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tion."[64] He reiterated that theme during his India visit shortly thereafter.

But what does the idea of Asian-Pacific security imply? Like Brezhnev's concept of Asian collective security,[65] it is kept deliberately vague, with bits and pieces of concrete elements thrown in. A Soviet government statement on April 23, 1986, filled in some of the details of Soviet thinking.[66] Asian states, it said, despite their diversity, are interdependent today. While rejecting the US-Japanese notion of the Pacific Community as constituting a potential military bloc, it stressed that real interdependence would mean eliminating nuclear and chemical weapons from the region, creating confidence-building measures, cutting down naval activities in the Pacific Ocean, and holding bilateral and multilateral talks over disputes. Moscow would also welcome the creation of nuclear-free zones in the Asian-Pacific region. As Gorbachev explained in India, he was thinking along the lines of an Asian Helsinki conference on security and cooperation.[67]

While speculations in the West abound on the changes in Soviet ideas and the reorganization of the foreign policy apparatus under Gorbachev,[68] a major reason for his new approach to international relations and Asian-Pacific security seems to be his aim to mobilize anti-nuclear sentiment around the world so as to isolate the United States politically and create impediments in the way of its defense programs, especially Star Wars. The Soviet leader has launched these ideas, observes an Indian commentator, to create the broadest cross-class alliance of protagonists of peace and development.[69] As a prominent Indian newsmagazine summed up, Gorbachev wanted to break out of an economically crippling arms race with the United States. "His strategy is aimed at mobilising international public opinion behind his peace crusade and to indirectly expose the Americans as a warmongering and destabilising force, especially in the Third World arena. The Delhi Declaration was a deliberate—and logical—extension of this strategy."[70]

Unlike the rhetoric on nuclear disarmament and global problems, however, India's response to the Soviet concept of Asian-Pacific security has been less than enthusiastic. It is relevant to mention here that the late Indira Gandhi had ignored Brezhnev's pet idea of Asian collective security, which was presumably aimed against China. Rajiv had not raised Gorbachev's security theme subsequent to his Soviet visit, where it had been for the first time mentioned. In reply to Gorbachev's reiteration of the notion in New Delhi, Rajiv called it "thought-provoking." Then he deftly sidestepped the issue and recounted a long history of similar ideas from the Indian repertoire. As an Indian political commentator quipped, "We can't let Gorbachev run away with our copyright."[71] The US Defense Department considers the Soviet idea of Asian-Pacific security as directed less against China than against the United States.[72]

Indo-Soviet Balance Sheet

The euphoria generated by the Soviet General Secretary's visit to India, which was blown up by the media in both countries, should neither cloud the differences between Moscow and New Delhi nor convey the impression that the latter has become a blind ally of the Soviet Union. Differences between the two countries do exist, though these are secondary in importance compared to the overwhelming convergence of national security interests. In addition to the divergence of perceptions on Afghanistan and cur-

[64] *Soviet Review Supplement,* loc. cit., p. 9.

[65] Brezhnev first put forth his Asian "collective security" proposal in 1969. Its primary aim was to isolate China politically and militarily by creating "a belt of nations—from Afghanistan and India to Indochina—linked to the Soviet Union through friendship pacts and military assistance programs." See Paul F. Langer, "Soviet Military Power in Asia," in Donald S. Zagoria, Ed., *Soviet Policy in East Asia,* New Haven, CN, Yale University Press, 1982, p. 260.

[66] *Soviet Review,* May 12, 1986, pp. 2–4. Analysis in Joachim Glaubitz, "Perspectives of Soviet Asian-Policy," *Osteuropa,* August-September, 1986, pp. 799–800.

[67] Gorbachev in his speech to India's Parliament on Nov. 27, 1986, added to his Asian-Pacific security concept confidence-building measures, especially "notification of transfers and exercises of ground [amphibious], naval and air forces" of the countries of the region. Moscow, he said, was also ready to hold talks on guaranteeing the sealines of communication in the Indian Ocean, the Persian Gulf, and the Straits of Hormuz and Malacca. All this, in my opinion, was transparently designed to trip up Washington. See *The Telegraph,* Nov. 26, 1986, p. 1.

[68] Meissner, loc. cit., pp. 583–619; Guenther Wagenlehner, "Action Instead of Program: Ideological Aspects under Gorbachev," *Osteuropa,* August-September, 1986, p. 689–97; "Gorbachev Builds His Position in Leading Organs," *Frankfurter Allgemeine Zeitung,* Mar. 7, 1986, pp. 1–2; Boris Meissner, "Party Leadership and Party Organization of the CPSU after the 27th Party Congress," *Osteuropa,* November 1986, pp. 916–50; Glickman, loc. cit., pp. 11–17; and Alexander Rahr, "Hard-liner Replaced in Key Central Committee Post?" RFE-RL, *Radio Liberty Research,* RL 388/86, Oct. 15, 1986, pp. 1–2.

[69] R.R. Sharma, "Soviet Perspective of Asia-Pacific Security," *Mainstream* (New Delhi), Nov. 22, 1986, p. 31.

[70] *India Today,* Dec. 1–15, 1986, p. 97.

[71] Ibid., p. 101.

[72] *Soviet Military Power 1986,* op. cit., pp. 138–39. The realization of the anti-nuclear sentiment, which already exists in Australia and New Zealand, throughout the Pacific Ocean would serve to hamper the US navy's operations there. Kapitsa's encouragement of a South Pacific nuclear-free zone on Aug. 26, 1986, was a move in that direction. See *The Telegraph,* Aug. 27, 1986, p. 3. US SDI experiments on the Kwajalein atoll in the Pacific, scheduled to begin in 1987, are an important target of the current Soviet interest in the region. See *The Telegraph,* Sept. 10, 1986, p. 7.

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rently China,[73] and the caveats in trade relations and Asian-Pacific security, as noted above, Moscow is closer to Washington than to New Delhi on the nuclear nonproliferation issue. When the UN General Assembly once again voted in favor of the Pakistani resolution, opposed by India, that South Asia be converted into a nuclear-free zone, Moscow abstained.[74] Since the Soviet conception of Asian-Pacific security might entail the creation of nuclear-free zones, New Delhi would have considerable reservations about it. As he indicated in his Soviet visit in 1985, Rajiv was in no hurry to obtain Soviet help for India's civilian nuclear programs since Moscow's safeguard requirements might get in the way. Again, when the Indian Premier made an unscheduled layover in Moscow on August 1, 1986, reportedly because his aircraft had developed engine trouble while flying back from Europe, newsmen in the Soviet capital asked him the real purpose of his stopover. Rajiv then quipped: "Do you think I will just drop in at Moscow to say hello to the Soviets just because it is the 15th anniversary of the Indo-Soviet Treaty . . . ?"[75]

This brings up the question of the 1971 friendship treaty. Whereas top Indian leaders usually ignore it in their speeches and on its anniversaries, the Soviets play it up at the slightest opportunity and have turned it into a part of their ritualistic litany. They would like other Third World nations to emulate it as a model for peaceful cooperation between states with different social systems. They also display it as an example of Soviet support for the independence of the Third World from Western imperialism and colonialism. During Gorbachev's visit, however, Rajiv did play up the treaty, primarily because of the rapidly deteriorating security environment in South Asia.

The Soviets under Gorbachev continue to focus on non-alignment in the context of their commentaries on India. Indira Gandhi had given the cold shoulder to former Non-Aligned Movement (NAM) chairman Fidel Castro's claim that the Soviet bloc was a natural ally of the non-aligned. Rajiv Gandhi also gives the Castro thesis wide berth. But the Soviets continue to steamroll over India's sensibilities and suggest that theme over and over again. Non-alignment, for Moscow, is the choice of Third World states not to be allied to the United States which, unlike the "peace-loving" Soviet Union and India, spends its time destablilizing other peace-loving Third World governments.[76]

While Gorbachev has continued the Soviet litany on India, his report to the 27th CPSU Congress broke with the past format. The routine country-specific references, so characteristic of Brezhnev's style, were dropped. So was the usual praise reserved for India. This, taken with his evasive reply on the Sino-Indian border dispute and his preoccupation with domestic conditions, suggests a policy of maintaining a degree of flexibility.

Notwithstanding these caveats in Indo-Soviet relations in the Gorbachev-Rajiv era, it is clear that India continues to play a key role in Soviet strategy and ideology in Asia and the Third World. When Rajiv's visit to the United States in June 1985 became known, the Soviets lobbied hard to schedule a visit to Moscow first. They have drawn satisfaction from their success in the matter.[77] The number of showy "firsts" that Gorbachev granted to India were calculated to demonstrate close bilateral ties. His first interview to a foreign journalist was to an Indian; his longest interview on Soviet TV was given to Indian newsmen; his first visit to a Third World country was to India. He also allowed the program of exclusive delivery of conventional frontline weapons to India to continue. Gorbachev's offer to open a space center for training Third World astronauts in India was also honed to demonstrate special ties with the latter, as well as to cast Reagan's military space program in a bad light. Even if Rajiv's India refrains from acting as Moscow's spokesman in promoting "Asian-Pacific security," as Moscow understands it, its prominence and political stance in international forums like the Non-Aligned Movement, the South Asian Association for Regional Cooperation (SAARC), the United Nations, and the Commonwealth would continue to stand Moscow in good stead. On its arms control position vis-à-vis the United States, the Soviets have New Delhi's support to the hilt.

Both Gorbachev and Rajiv are relatively new to their jobs. Each is still involved in the process of finding his political bearings. Further, they share the same kind of goals of modernization and fighting an entrenched bureaucracy. In a way, their summits and agreements reflect mutual political support. Gorbachev's visit has certainly taken the wind out of the sail of Rajiv's critics

[73]Soviet maps continue to depict India's Aksai Chin area as part of China. The Indian government quietly protested this depiction in the latest Soviet world atlas. The question also came up in India's Parliament. *The Telegraph*, Nov. 19, 1986, p. 5.

[74]Ibid., p. 3.

[75]Ibid., Aug. 12, 1986, p. 5. The anniversary falls on Aug. 9.

[76]See, e.g., "USSR-US: Two Approaches to NAM," *Soviet Review*, June 5, 1986, pp. 27–32.

[77]The Soviets consider it "highly significant" that Rajiv chose the USSR as the first country to visit within a few months of his election as prime minister. See "On Mikhail Gorbachev's Meetings with Rajiv Gandhi," *Soviet Review*, Nov. 20, 1986, p. 11. India's importance is further reflected in the fact that the Soviet ambassador in New Delhi, Vasiliy Rykov, is a party Central Committee member, as was former ambassador Yuliy Vorontsov.

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who have alleged that he was pro-West. Moreover, it gave the much needed reassurance to India's growing paranoia regarding the military activities of Pakistan and its friends. The Soviets also made clear to India's Communists that Moscow viewed the 1971 treaty, which it had signed with Indira Gandhi's Congress (I) government, as the foundation of Indo-Soviet relations.[78] All this translated into plus points for Rajiv.

For Gorbachev, the summit in New Delhi reconfirmed Moscow's strong ties with India, even though the latter was being wooed by the Reagan administration and by American business interests. It also served notice on Washington and Islamabad that they faced the combined strength and influence of a superpower and the world's fourth largest military machine. The Soviet leader was able to demonstrate that despite India's growing ties with the West, the convergence of Indo-Soviet security interests remained the same.

[78]"Indo-Soviet Diary 1985," loc. cit., pp. 78–79, is a recent example.

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Indo-Soviet Economic Ties

Dilip Mukerjee

Soviet party General Secretary Mikhail Gorbachev's New Delhi meeting with Indian Prime Minister Rajiv Gandhi in November 1986 resulted in an economic accord hailed by both as "the most major agreement" in the history of relations between their two countries.[1] Having already offered 1 billion rubles in new credits during Gandhi's May 1985 visit to Moscow, Gorbachev now promised additional credits of 1.5 billion rubles. The combined sum easily eclipsed the 900 million rubles of credits pledged by the USSR over the previous 30 years.[2] The two states also envisaged an increase of 50 to 100 percent in trade for 1986–90 as compared to 1981–85, and at a joint press conference with Gorbachev, Gandhi spoke of a two-and-one-half fold increase in trade by 1992.[3]

This heightened Soviet economic commitment, coming at a time of resource constraint and ambitious plans for restructuring at home and a deep plunge in oil earnings from abroad, demonstrates the Soviet Union's determination to revitalize the already close relationship with India built up over the past three decades. This link remains important to Moscow for a variety of reasons. Although Moscow is making major efforts to improve relations with China (as stressed in Gorbachev's Vladivostok speech of July 28, 1986)[4] and with various other Asian countries, the rewards, if any, will come in the future. For now, India remains the Soviet Union's most promising contact in the noncommunist Third World. Moscow feared that this relationship might be threatened by an improvement in US-India relations—highlighted by the first visit ever made by a US Secretary of Defense to India, which occurred only weeks before Gorbachev's arrival.[5] Moreover, Soviet approaches to China have caused misgivings in India, as reflected in the Indian defense ministry's apprehension that a rapprochement could free China to redeploy troops from the Soviet border to Tibet, heightening Indian security vulnerabilities.[6]

Personally, the Indian relationship represents for Gorbachev both an opportunity and a threat. If he can make gains elsewhere in Asia while preserving the relationship with India in the increasingly competitive international environment, he is likely to gain authority and prestige among his fellow Soviet leaders. Conversely, were India to respond to the threat perceived in the Vladivostok initiative by drifting away from the Soviet Union, he would likely be held responsible by his Politburo colleagues much as Nikita Khrushchev was for his Cuban missile gamble in 1962.

Although India's economic stake in the relationship may well be greater than the Soviet Union's, one can discern several economic factors motivating the USSR to maintain or expand economic links with India. India provides significant quantities of certain raw and processed materials, some machinery, and considerable consumer goods needed by the Soviet Union. Then

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[1]See the Moscow TV report of the joint Gorbachev-Gandhi press conference in New Delhi on November 28, 1986, translated in Foreign Broadcast Information Service, *Daily Report: Soviet Union* (Washington, DC—hereafter *FBIS-SOV*), Dec. 2, 1986, pp. D/1 and D/3.

[2]In rupee terms, Soviet credits amounted by 1984 to over 10 billion (See *The Telegraph* [Calcutta], Nov. 25, 1986, which printed a supplement on Gorbachev's visit). This translated into some 900 million rubles at the 1984 exchange rate. For the credit pledged in May 1985, see *The New York Times*, May 23, 1985. For the pledge made in November 1986, see *India Today* (New Delhi), Dec. 15, 1986.

[3]See fn. 1.

[4]See *FBIS-SOV*, July 29, 1986, pp. R/1–20 at R/14.

[5]US Secretary of Defense Caspar Weinberger visited New Delhi on October 11–14, 1986.

[6]Government of India, Ministry of Defence, *Annual Report 1985–86*, New Delhi, 1986.

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Mikhail Gorbachev and Rajiv Gandhi sign agreements on economic, trade, scientific, and technical cooperation between their two countries in Kremlin ceremonies on May 22, 1986.

—TASS from Sovfoto.

there are some sectors in which India seems an appropriate arena for Soviet foreign investment activities. Success in penetrating the Indian market with a wide range of goods might also serve as a key to Soviet penetration of other Third World markets. Finally, India is a major purchaser of Soviet weapons, a situation that could be disrupted should India's possibilities to make payment for same diminish.

On the Indian side, too, the most important motive for relations with the Soviet Union is probably political—the perceived need for continued Soviet political support against India's adversaries. It seems likely that New Delhi, like Moscow, wants closer economic ties to safeguard the political nexus.

However, there are also economic factors that bear heavily on New Delhi's thinking. At a November 25 banquet for Gorbachev, Rajiv Gandhi stated:

We value the help we have received from the Soviet Union in completing the first phase of our industrialization. We are now poised for the next phase of technological modernization . . . . Cooperation with the Soviet Union could be even more significant for both countries than in the previous phase . . . . While the agreements we have reached are good and useful, we should rise to still higher levels of cooperation.[7]

At his joint press conference with the Soviet leader, Gandhi spoke of "new areas, new vistas, new modes of economic cooperation," which India's finance minister and a Soviet deputy premier would soon be meeting to discuss. Gandhi added that Gorbachev had agreed to send to India a delegation headed by Guriy Marchuk, president of the USSR Academy of Sciences, to plan joint research in advanced technologies and to start "moving from that stage to the production stage of those technologies."[8]

For years, the Soviet Union has been India's first or second largest foreign customer, providing a major market for a significant range of commodities and consumer manufactures. Sales to the Soviet market have helped Indian manufacturers gear up for world market sales. This trade has since 1953 taken place in the framework of special payment arrangements aimed at balancing exports and imports. Consequently, there has recently been a growing despondency in

[7]Foreign Broadcast Information Service, *Daily Report: South Asia* (Washington, DC—hereafter *FBIS-SAS*), Nov. 26, 1986, p. E/3.
[8]Loc. cit., p. D/1.

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India that if the value of Indian purchases from the Soviet Union fails to grow—both because of falling oil prices and a Soviet inability to meet India's more sophisticated technological requirements—the result would be a declining growth in exports. This, in fact, has happened. As can be seen in Table 1, total trade turnover between the two countries declined abruptly in 1983 in step with a decline in oil prices. A modest recovery in 1984 and 1985 has been reversed again in 1986 because of a sharp plunge in the oil market. As a result, two-way trade was down, according to preliminary Indian figures, by about 13 percent. The target for 1987, set just prior to Gorbachev's visit, assumes a further 5 percent fall. This makes the goal Gandhi mentioned for 1992 all the more ambitious—if not unrealistic.

This development comes in the context of a perceived "difficult balance of payments situation" facing India in the latter half of the 1980's.[9] Imports have accelerated as a result of the opening up of the economy, but export growth remains disappointingly sluggish. The outcome in the fiscal year ending on March 31, 1986, was a large increase in the trade deficit, to almost US$6 billion, 50 percent above that of the previous year. As a result of a variety of factors, including competition from China, India finds itself receiving a lowered share of concessional credits from the World Bank's soft loan window, the principal source of such flows. Another adverse factor is the economic downturn in the oil-producing countries, which, it is feared, may lead to a drop in remittances from Indian workers there; these accounted for about one-fifth of total export earnings in the fiscal year ending in March 1985.

In this situation, the value of the Soviet connection becomes greater. Imports from the Soviet Union of vital commodities like oil, fertilizers, and non-ferrous metals for rupees greatly eases the hard-currency constraint. Moscow has shown a great deal of flexibility in accommodating Indian needs by changing the basket of exports over the years—as shown by the rise in oil deliveries and a sharp fall in the share of machinery and equipment in Soviet exports to India.

India's poor export growth also limits its potential to borrow on world markets to offset the fall in concessional aid. Without such credits, India would be forced to cut back on imports to keep the current-account gap within manageable limits. This would mean accepting a slower pace of development, which would have an adverse consequence for Gandhi in domestic politics. Faced with this prospect, it was New Delhi that took the initiative in requesting and securing the massive new Soviet credit commitments.

Table 1: India's Trade with the USSR, 1980–85

Calendar year	Indian exports	Indian Imports	Total
	(in millions of US dollars)		
1980	1,354	1,326	2,680
1981	1,849	1,472	3,321
1982	2,032	1,431	3,463
1983	1,416	1,711	3,127
1984	1,570	1,894	3,464
1985	1,792	1,892	3,684
Indian fiscal year[1]	Indian exports	Indian imports	Total
	(in billions of rupees)		
1979–80	6.38	8.24	14.62
1980–81	12.26	10.14	22.40
1981–82	16.61	11.36	27.97
1982–83	16.69	14.13	30.82
1983–84	13.05	16.59	29.64
1984–85	16.55	18.03	34.58

[1]The Indian fiscal year runs from April 1 to March 31.

SOURCE: For calendar year figures, United Nations, *Monthly Bulletin of Statistics* (New York), November 1986 and earlier issues; for Indian fiscal year figures, Government of India, *Economic Survey 1985–86*, New Delhi, 1986.

Last but not least, both India and the Soviet Union have an interest in the expansion of Indian exports because these help to repay the separate credits extended by Moscow to cover Indian arms imports. The Soviet Union is India's principal arms supplier; its share in India's total arms imports was 70 percent in 1979–83, the latest period for which figures are available.[10] Since arms constitute the most potent instrument for retaining influence, Moscow would certainly want to help India sustain its ability to import them.

There is no way of getting firm figures for repayments that India has been making against military credits, but one source estimates these at US$300 million a year in the late 1970's and early 1980's. Because of the large orders placed since 1980 for high-performance weapons—among them the MiG–27 and the MiG–29 aircraft, T–72M tanks, BMP armored cars, Kashin-class destroyers, and Kresta-class cruisers—it is expected that repayments will rise to some $600 to $800 million annually in the early 1990's. This debt would be greater but for the favorable terms of

[9]See Government of India, *Economic Survey, 1985–86*, New Delhi, 1986.

[10]US Arms Control and Disarmament Agency, *World Military Expenditures and Arms Transfers, 1985*, Washington, DC, 1985. [For more detail on the arms provided by the USSR to India, see the accompanying article by Jyotirmoy Banerjee—Eds.]

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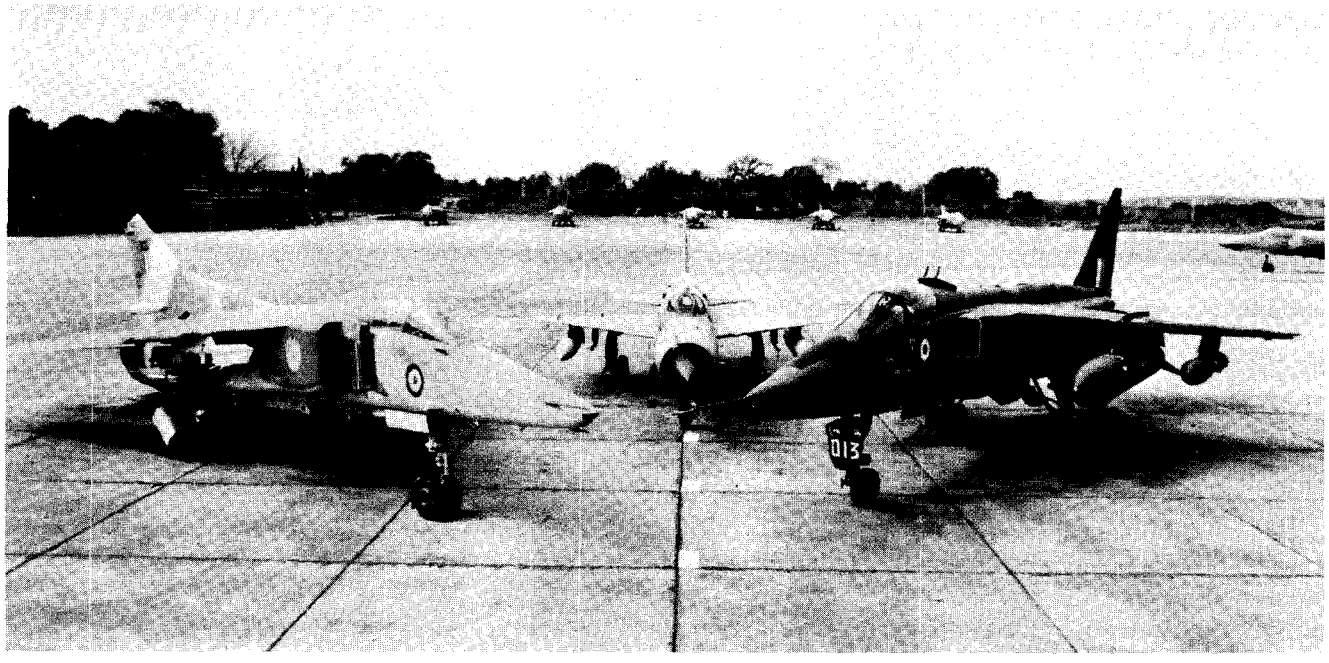

Major combat aircraft of the Indian Air Force: left, the Soviet-built MiG–23; center, the Soviet MiG–21, manufactured in India under Soviet license; and right, the Anglo-French-designed Jaguar, manufactured in India under British license.

***—The Indian Air Force and its Aircraft, 1982,* Ducimus Books, London.**

military credits. Although neither side has made details public, the deal struck in 1980 for $1.6 billion of advanced weapons was reported to have been at a 2.5 percent rate of interest, the principal repayable over 17 years.[11]

It should be noted in this context that India has contracted to produce MiG–27's, tanks, and armored cars in India, moving on possibly to MiG–29's as well. The share of domestically produced inputs will be quite small in the early years, implying the need for fairly substantial imports from the USSR to sustain production. Such Soviet inputs will likely remain significant even over the longer run; indeed, the import content of Indian-manufactured MiG–21's (produced in India in various versions for more than 20 years) remains around 30 percent.

There has been speculation that parts and components for weapons are accommodated in the trade plans under some suitably ambiguous heading. Exports unidentified by category in Soviet trade figures amounted to 9 percent of the total in 1983, lending support to this theory. Unless Indian exports rise correspondingly, combined repayments for purchased weapons and for spare parts and maintenance items for those weapons produced domestically may start squeezing civilian imports. To the extent that current payments for civilian imports are spread over years by debiting them to credits, the squeeze will be relieved.

India's concern over payment is evidenced in the announcement that the projects undertaken with the recent 1.5-billion ruble pledge will be built on a turnkey basis, meaning intense Soviet involvement from design and construction through commissioning. This is a sharp departure from a long-standing Indian policy that has insisted on retaining overall management of all such foreign-assisted projects (one object of which has been to ensure maximum reliance on Indian producers in procurement decisions). The change will likely have the benefit, in Indian eyes, of having the Soviet Union absorb more of the project costs through credit arrangements. One senses a similar intent in a provision under which 300 million rubles out of the new credit will be available for financing local costs of the project. This will help alleviate the growing problem India has faced in being unable to utilize credits, whether from the Soviet Union or any other source, because budgetary stringency makes it difficult for New Delhi to accommodate local costs for all the new projects it wanted to build.[12]

[11]Mohan Ram, "Indo-Soviet Arms Deal," *Economic and Political Weekly* (Bombay), May 31, 1980. According to the standard Western formula, this amounted to a 42 percent grant element in the credits.

[12]*Deccan Herald* (Bangalore), Nov. 28, 1986; and *Far Eastern Economic Review* (Hong Kong), Feb. 5, 1987.

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All these new mechanisms bear out Gorbachev's claim at his joint press conference with Gandhi that "the political will exists" that "everything that has been put down and planned here in New Delhi can—or I would like to say immediately must—be implemented. And at any rate, the Prime Minister and I are deeply committed to this goal."[13] But questions have been raised about the cost of the relationship, loudly by skeptics in India and more discreetly by Soviet academics. Will the commitment by the two leaders get diluted at the operational level? That apart, will it be possible to overcome the objective difficulties that currently hamper growth in Indian-Soviet exchanges? These questions are best addressed by looking more closely at the economic costs and benefits of the relationship to each country.

The Soviet Economic Calculus

The cost the Soviet economy has to bear to sustain friendship with India is evident from the large and still rising quantities of oil and oil products sold for rupees. This trade began in 1961, when India began to import Soviet refined oil products in a successful effort to break the monopoly that three major Western oil companies enjoyed in the Indian market.[14] After protracted negotiations begun during Leonid Brezhnev's visit of November 1973, the Soviet Union agreed to start supplying crude oil beginning in 1974,[15] in recognition of the crisis into which India was plunged by escalating world oil prices.

In relation to India's global export earnings, the share of total hydrocarbon imports rose from under 8 percent in 1972 to 30 percent in 1974 and 74 percent in 1980. From about 10,000 barrels per day (one barrel per day is roughly equivalent to 500,000 tons a year) in 1971–73, Soviet deliveries jumped to 20,000 bpd in 1974 and increased steadily thereafter to reach 115,000 bpd in 1985.[16] India's share of total Soviet exports of oil and oil products to noncommunist countries increased from 1 percent in 1971 to 7.5 percent in 1985.[17]

The trade protocol for 1987 signed last November provides for additional quantities of Soviet crude oil,[18] this at a time when the sharp drop in oil prices gives Moscow a very strong incentive to step up the volume of oil sales to hard-currency customers. Moscow appears not to charge a premium price for oil sales in rupees. Published figures show that the unit cost of Soviet oil was the second lowest for seven major suppliers in 1981–82, and the third lowest in 1982–83. In these two years, the Soviet share in total Indian oil imports was 13 and 15 percent respectively.[19] Because India's overall imports have fallen since, while imports from the Soviet Union have increased, the Soviet share would now be significantly larger.

Some Soviet scholars are critical of this one-sided generosity, which runs counter to Moscow's movement away from bilateral clearing arrangements (the number of countries with which it has such relations was down to 9 in 1983, from 20 in 1970).[20] According to one analysis of Soviet views, "the existing and persisting [payments] arrangements seemed all the more galling since India was able to save on convertible currency by importing oil and oil products from the USSR in exchange for goods it could not sell in Western markets."[21] The same objections apply to some of the other major "hard" items that India imports from the Soviet Union, such as non-ferrous metals and newsprint. To these, the 1987 protocol has added coking coal.

The composition of Soviet exports to India differs substantially from the overall pattern of Soviet exports to the developing countries taken as a group. For example, in 1981 (when oil prices were at their peak), the share of fuels in imports of all developing countries from the Soviet Union amounted to 20 percent and the share of manufactures was 26 percent. By contrast, mineral fuels constituted 78 percent of India's imports, and manufactures, only 14 percent.[22] In particular, the share of machinery and transport equipment in Indian imports from the USSR has dropped from 46 percent in 1970–71 to 8.3 percent in 1979–82. This is undoubtedly a sore point with Moscow because, incredible

[13]Loc. cit., p. D/4.

[14]Biplab Dasgupta, "Soviet Oil and Third World," in Deepak Nayar, Ed., *Relations Between Socialist Countries and Third World,* London, Macmillan, 1977, pp. 185–207.

[15]*The Hindu* (Madras), Nov. 29, 1973.

[16]International Monetary Fund, *International Financial Statistics Yearbook, 1986,* Washington, DC, 1986.

[17]US Central Intelligence Agency *International Energy Statistics Review* (Washington, DC), July 1986.

[18]*Economic Times* (New Delhi), Nov. 26, 1986.

[19]Peter Lyon, "The Soviet Union and South Asia in the 1980s," in Robert Cassen, Ed., *Soviet Interests in the Third World,* London, Royal Institute of International Affairs, 1985, pp. 36–37.

[20]See Giovanni Graziani, "Commercial Relations Between Developing Countries and the USSR," a paper read at the first annual scientific meeting of Associazione Italiana per lo Studio dei sistemi Economici Comparati, in Turin, Oct. 25–26, 1984, mimeo; and Santosh Mehrotra, "The Political Economy of Indo-Soviet Relations," in Robert Cassens, op. cit., pp. 220–40.

[21]Elizabeth Kridl Valkenier, "The Soviet Union and the Third World: Recent Trends," *Problems of Non-Alignment* (New Delhi), Vol. 2, No. 4, December 1984–March 1985, pp. 295–323.

[22]Graziani, loc. cit.; and Mehrota, loc. cit.

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though this may seem, Soviet purchases of this category of goods from India have exceeded Soviet sales to India in the same commodity classification types of items in recent years.[23]

This incongruity leads some Soviet writers to argue that Moscow's aid has helped India to become the Soviet bloc's competitor in certain products on the world market. Actually, the competition, if any, is only a very marginal phenomenon. But selling oil and processed commodities at falling prices to a country that buys less and less Soviet machinery and equipment (for which prices have held up fairly well) does mean a shift in the terms of trade to the Soviet Union's disadvantage.

Such a tendency flies in the face of the goal, outlined in the guidelines for economic and social development adopted at the 27th Congress of the Communist Party of the Soviet Union in February 1986, of making the Soviet Union a major world exporter of machinery, equipment, and technology.[24] Since penetration of developed-country markets is difficult, a major effort to expand sales to developing countries can be expected. As the Soviet Union's largest Third World trade partner, India was no doubt intended as a major target in this campaign, both on its own account and because of the demonstration effect that Soviet marketing successes there could have on purchasing decisions of other Third World countries.

The Soviet economic guidelines also specify that the most important function of imports is to help in the modernization of the economy. India can play a marginal role in this endeavor by supplying labor-intensive components. (Incidentally, India is one of the six countries furnishing components for the Soviet Union's new VAZ 2108 automobile, which has been designed from the start to match international standards, with an eye to the export market.) At the same time, India is capable of supplying certain commodities that the USSR produces in insufficient quantities or not at all—e.g., bauxite (raw and processed into alumina), mica, and packaging materials such as jute; certain items, such as textile fabrics, for which India has a comparative advantage in manufacturing; and growing quantities of consumer goods such as clothing, footwear, sporting goods, and household effects.[25]

Soviet policy-makers would like greater assurance that the desired quality and quantity of the required imports would be forthcoming. They would like to see more such imports covered by long-term contracts, under buy-back arrangements in exchange for Soviet machinery to produce the imports. Soviet assistance to developing countries is now increasingly directed to export-oriented projects that will serve Soviet needs.[26] In effect, development assistance is increasingly viewed not only as a moral or political matter but also as an investment option. The Soviet ideological stand is being modified accordingly, with some writers now arguing in favor of equity participation, or at least participation in enterprise management based on a lease of production facilities, to ensure that these are operated in a manner suited to Soviet interests.[27]

The Soviet Union seems to be having some success in wearing down Indian resistance to entering into long-term buy-back contracts. A number of such deals are now being concluded. One example is a 2.3-million-ton-per-year bauxite mine to be built in Andhra Pradesh by the Indian government with Soviet assistance, from which the Soviet Union is to receive an annual supply of 1 million tons.[28] Two other projects, which are to be built by Indian private entrepreneurs, are to produce cotton fabrics and computer software for Soviet and other markets and will use Soviet machinery and computer hardware respectively.

Although the terms of at least the 1985 pledge of credits are said to be "flexible,"[29] there is a strong presumption that much of the new Soviet credits are to be used in fields in which Soviet assistance has been extensively used in the past—power generation, mining, steel production, and exploration for oil on land—all of them in the public sector. According to the joint statement issued by the two governments on the conclusion of Gorbachev's visit, the USSR agreed to render assistance in construction of the Tehri Hydro power complex, in the reconstruction and modernization of the Bokaro steel plant, in the setting up of four coal mines in the Jharia field, and in on-shore oil exploration in West Bengal.[30] These are areas where Soviet tech-

[23]R. G. Gidadhubli, "Economic Diplomacy of the Billion Rouble Credit," *Economic and Political Weekly*, May 25, 1985.

[24]See I. D. Ivanov, *The Soviet Union in a Changing Global Setting*, Report prepared for UNCTAD. Document UNCTAD/ST/TSC/4, Geneva, Apr. 25, 1986. Winning a major share of the world market is a very ambitious goal, considering the fact that the Soviet share in world exports of machinery and equipment was a meager 2 percent in 1981, according to UNCTAD tabulations. Over half of Soviet exports in this category were taken by East European allies, and 31 percent by developing countries. See Table A-10, pp. A38–39, UNCTAD, *Handbook of International Trade and Development Statistics, Supplement 1984*, New York, The United Nations, 1984.

[25]From an interview with Elizabeth Valkenier.

[26]Reportedly, there are 30 "pay back" arrangements in force involving Soviet investment. In 1981–84, assistance-based shipments amounted to about 20 percent of total Soviet imports from developing countries. See Ivanov, op. cit.

[27]Valkenier, "The Soviet Union and the Third World," loc. cit.

[28]*Financial Times* (London), Mar. 24, 1985.

[29]Gidadhubli, loc. cit.

[30]*Pravda* (Moscow), Nov. 287, 1986, in *FBIS-SOV*, Dec. 1, 1986, p. D/12.

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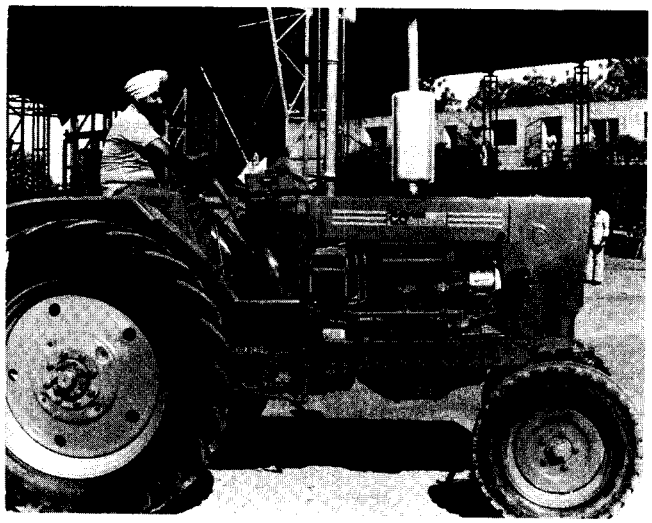

Soviet-designed "Belarus" tractors are produced in Faribad, near Delhi, under a licence purchased from the Soviet Union.

—TASS from Sovfoto.

nology is considered adequate, if not on a par with the best available elsewhere (a similar pattern is observable in renewed Soviet economic cooperation with China). This tends to assure Indian markets for certain Soviet machinery and equipment, and at the same time provides some balance for the heavy Soviet imports of Indian products. Moscow could obtain similar products from other countries, but these countries would be even less able than India to make balancing purchases.

The massive new commitment of Soviet credits and the envisaged surge in Soviet-Indian trade tend to clash with guidelines for socio-economic development approved by the 27th CPSU Congress, which called for an increase in Soviet development assistance so as to enhance economic ties with the developing world as a whole, and for diversification of sources of imports. Since 1970, India has always taken the top position, or something close to it, in both Soviet imports from and exports to the developing world. The rate of growth in Soviet-Indian trade to which Moscow has committed itself will likely mean a continuation of India's primacy.

An interesting question is whether this concentration on India will interfere with the expansion of Soviet trade with China as part of Gorbachev's effort to improve Sino-Soviet relations. China's share in Soviet imports has risen from 0.3 percent in 1980 to 1.2 percent in 1985; and in Soviet exports, from 0.3 percent to 1.1 percent. This compares with an Indian share of 2.2 percent in both imports and exports in 1985.[31] Since China and India offer much the same type of manufactures, Soviet buying from one could limit the scope of buying from the other.

The policy of lavishing assistance upon developing countries that all act as their respective national interests dictate, while giving Soviet interests little or no thought, has been viewed as questionable by some Soviet experts. For example, Karen Brutents, now deputy chief of the CPSU Central Committee's International Department, argued in 1984 that all developing countries remain part of the capitalist world and, being dependent for their survival upon advanced capitalist states, cannot stand up against them. Brutents noted that the 1983 Non-Aligned Movement summit chaired by India had permitted the emergence of an attitude of equidistance toward the superpowers instead of a warmer stance toward the Soviet Union that had been observed at prior meetings.[32] According to an American analysis, "the results of the conference were disappointing to the Soviets. They were cool to India. They believed apparently that India had conceded too easily."[33]

In a variation upon the same theme, Soviet scholar G.K. Shirokov recently argued that the economic policy of the Indian state has shifted in favor of big urban entrepreneurs. He claimed that the top echelon of this group, which has strengthened its ties with foreign counterparts, has consolidated its position within the ruling elite.[34] Although he does not spell it out, the implication is that this is a factor that may make the Indian government more keen than it was in the past to cultivate the West's goodwill.

None of this is intended to suggest that Gorbachev's commitments to India will run into significant opposition at home. The degree of influence that Soviet foreign affairs specialists have on the actual course of policies is debatable, the consensus among Soviet watchers in the West being that the impact, if any, can be felt only in the long term. Yet such reservations, as well as the apparent divergence between the commitments made to India and the guidelines on economic policy adopted at the party congress, underline that Gorbachev is, like his predecessors, treating India as a special case. In this sense, the new economic arrangements offered to India tend to confirm the view

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[31]Report by UNCTAD Secretariat, Statistical Annex, TD/B/1103/Add.I, Geneva, June 30, 1986.

[32]Valkenier, "The Soviet Union and the Third World," loc. cit.

[33]*The Soviet Union in the Third World, 1980–85: An Imperial Burden or Political Asset?* Report prepared by the Congressional Research Service for the Committee on Foreign Affairs, US House of Representatives, Committee Print, September 1985, pp. 122–39.

[34]Paper prepared for the Seventh Soviet-American Symposium on Contemporary Problems of Asia, held at Lake Tahoe, summer 1986, mimeo.

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C. K. Acharya, Director of a Calcutta-based tea export firm presents cans of export tea leaves to V. Shaposhnikov, an official of the Soviet Union's import organization "Soyuzplodimport," a major purchaser of Indian tea.

—TASS from Sovfoto.

widely held among Western scholars that Moscow will not hesitate to defend established political commitments and positions.[35]

The Indian Economic Calculus

India too has its media pundits, academics, and trade experts who question the value of the economic relationship with the Soviet Union. Indeed, even before the slump in trade with the USSR after 1985, the view had been gaining ground, even among Indian officials, that the Soviet Union's constraints in supplying raw and processed materials and lag in the sophisticated industrial technologies that India wants would limit trade expansion. The fact that past Soviet credits have been poorly utilized has been seen by critics as proving this contention.[36]

Even so, a broad political constituency advocates the growth and diversification of Indo-Soviet economic exchanges. Over the five years ending in March 1985, the USSR was India's largest customer, taking 17.8 percent of its exports.[37] Several regions of India are heavily dependent on the Soviet market—Kerala for cashew nuts, Andhra Pradesh for tobacco, and West Bengal for tea being cases in point. According to the latest available statistics, the USSR takes 28 percent of India's exports of tea; 30 percent of coffee exports; 65 percent of jute; 40 percent of tobacco; 60 percent of finished leather; 50 percent of cotton textiles; 50 percent of shoe uppers; and 90 percent of woolen knitwear.[38] Also noteworthy are exports from Soviet-built engineering goods facilities in India that serve as subcontractors for projects Moscow has undertaken in third countries, e.g., Bulgaria, Cuba, Egypt, Hungary, Sri Lanka, and Yugoslavia. These projects help explain a six-fold increase in engineering exports from India to the USSR over the last decade.[39]

Indians are exceptionally wary of entering into arrangements with the Soviets for developing production capacities specifically geared to supplying Soviet needs, for fear of ending up with products less salable on other markets. This would give Moscow a bargaining advantage, and might lead to grave difficulties if trade ties were to sour at any time. Indeed, the downturn in bilateral trade registered in 1983 had a severe impact on several product lines heavily dependent upon Soviet purchases and disrupted a number of production units created specifically to serve Soviet needs. (Incidentally, this shock also affected various multinational companies that had established units in India to gain access to Soviet markets.)[40]

It is widely believed that a large proportion of the manufactures that the Soviet Union buys from India would not readily find markets elsewhere because of problems with quality and prices. In fact, the less demanding Soviet market has served as a valuable training ground for firms preparing to move into the international arena with items like leather footwear and

[35]See, for example, Robert S. Litwak and S. Neil McFarlane, "Gorbachev's Third World Inheritance," paper read at a conference on The USSR and Marxist Revolutions, held at the Kennan Institute, Woodrow Wilson International Center for Scholars, Smithsonian Institution, Washington, DC, Sept. 25–26, 1986, mimeo.

[36]In addition to amounts available from earlier credits, India accepted two further pledges, amounting to Rs 6,940 million during the six-year period from April 1976 through March 1982. Utilization during this same period was Rs 1,631 million, or less than 24 percent. The pace of utilization picked up thereafter, as discussed below. See Government of India, *Economic Survey 1985–86*, pp. 174–77.

[37]Unless otherwise specified, trade statistics for India are taken from Government of India, *Economic Survey, 1985–86* and earlier issues. Soviet figures are from United Nations, *Monthly Bulletin of Statistics* (New York), November 1986 and earlier.

[38]See Mehrota, loc. cit.

[39]See N. Bogyati and A.O. Ol'shanyi, "Economic and Trade Cooperation Between CMEA Countries and India," *Foreign Trade* (Moscow), No. 2, 1984, pp. 7–13. According to Soviet sources, "total Indian machinery exports in 1981–83 stood at 400 million roubles" (or about US$550 million at the prevailing conversion rates). See Ivanov, op. cit.

[40]Mehrota, loc. cit., notes that the manufacture of shoe uppers and knitwear for export to the Soviet Union employs thousands of workers in cities like Agra and Ludhiana. Multinational firms such as Unilever, Ciba-Geigy, Hoechst, Helene Curtis, and American Home Products operate plants in India's free trade zone at Kandla in Gujarat state, which exports some 75 percent of its goods to the Soviet Union.

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batteries.[41] Hence, the argument of some analysts that Indian exports to the USSR undermine efforts to sell to hard-currency markets is not entirely persuasive. Indeed, during the 1970's, Indian trade with the rest of the world grew faster than trade with the Soviet Union and Eastern Europe.

On the import side, oil is the critical item, accounting for some 70 percent of Indian purchases from the Soviet Union. When it comes to Soviet capital goods, India is a less willing customer, reluctant to buy what are often perceived as inferior products. Capital goods now constitute only about one-sixth of Soviet exports to India, compared to one-quarter in the early 1970's and one-third in the mid-1960's. Yet, New Delhi takes advantage, whenever the opportunity arises, of Soviet willingness to part with top-of-the-line goods. A striking example is the accord signed in October 1984 for purchase of three mainframe computers, including one which the Soviet Union itself was to start using only in 1985. In return, India offered to sell 12 electronic products, including some sophisticated items requiring approval for export by foreign collaborators in Britain, Italy, and West Germany.[42] Then there is the Soviet machinery for energy and mining projects which seems to be of acceptable quality.

In sum, there appears to be a large degree of consensus regarding the importance for India of the Soviet economic connection. This was graphically evidenced during the brief period (1977–79) when the coalition led by Morarji Desai was in power. While in the opposition, Desai and his colleagues had been very critical of this relationship, and Moscow's state-controlled media had reciprocated by calling them "the direct tool of extreme reaction."[43] Yet in a speech during a visit to Moscow in July 1979, Desai said:

Soon after my government assumed office, we readily discovered that not only was our friendship firm and secure, but we could with confidence look ahead to improve our relations in future.[44]

Managing the Relationship

Although trade between India and the Soviet Union increased eight-fold in value between 1970 and 1985, this has not been a steady upward progression. There have been several periods of slow growth or even retrenchment. Each time this has happened, fresh initiatives have been forthcoming from the two governments to reinvigorate the relationship, the latest example being the economic agreement reached during the Gorbachev visit.

The management of the downturn in 1983 is instructive. In that calendar year, Soviet-reported purchases from India dropped by 30 percent (Indian figures for April 1983 through March 1984 show a smaller decline of 22 percent). In a sense, this setback reflected a predictable pullback from a record-level Soviet buying spree in 1982, occasioned by the rupee proceeds from higher Soviet exports of oil (which offset a small fall in oil prices).

With crude oil prices experiencing a larger decline in 1983, Moscow was faced with a sharp drop in rupee earnings. Since Soviet-Indian trade agreements provide for tiding over temporary imbalances in trade by having one partner extend temporary credits to the other, India offered to arrange additional funds to accommodate Soviet purchases. Moscow decided against this, preferring to square the account. It did so both by restricting purchases from India and by making additional sales. The result was a 19.6 percent rise in Soviet exports in a year when its world exports rose by only 5 percent and aggregate exports to less-developed countries declined by 0.5 percent. In a year in which the Soviet Union was exporting 7 percent less oil and oil products to its communist allies than at the 1981 peak, such shipments to India were 38 percent higher than two years earlier.[45] Moreover, the USSR agreed for the first time to export aluminum and cement to India.

Retrenchment in Soviet buying led to a spate of anxious and angry comments in the Indian media, reviving the argument that transactions in "blocked" rupees set a "frame that can no longer play a promotional role in trade exchanges between India and the Soviet Union and is beginning to be a constraint on trade development."[46] Nevertheless, India did undertake to increase its purchases of machinery and equipment from proceeds of sales to the USSR.

This development is reflected in increased utilization of Soviet credits. In the four years ending in March 1986, India availed itself of Rs. 3,527 million (approximately US$315 million) in Soviet credits, compared with Rs.1,111 million in the previous four years.[47] Indian imports from the USSR in fiscal year 1984–85 went up by almost 9 percent, and exports increased

[41] On this point, see Swaminathan S. Aiyar, "Indo-Soviet Trade—1: North-South in Reverse," *Indian Express* (New Delhi), Oct. 3, 1983.

[42] *Financial Times*, Oct. 29., 1984.

[43] V. Tretyakov, "On the Eve of General Elections in India," *New Times* (Moscow), February 1977.

[44] *The Hindu*, Oct. 26, 1977.

[45] CIA, op. cit.

[46] B. M., "Indo-Soviet Trade: Evading the Issue," *Economic and Political Weekly*, Apr. 30, 1983.

[47] Government of India, *Economic Survey 1985–86*.

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by 27 percent from the 1983–84 trough. Soviet calendar-year figures for 1984 show an increase of about 11 percent for both Indian imports and exports. Soviet figures for 1985 show Indian exports up another 14 percent, while imports remained unchanged. A point to note, however, is that Indian exports in 1985 were 11.8 percent below the 1982 peak, whereas imports rose by 32.2 percent in the same period.

As a result of the special efforts made by both sides, the cumulative value of Indo-Soviet trade came to $17.1 billion in 1981–85, according to Soviet figures. In rupee terms, the total was estimated to have reached Rs. 180 billion, or 2.5 times the level attained in 1976–80. The outcome exceeded, or so it would seem, the target, set in the wake of Leonid Brezhnev's December 1980 visit, of raising the value of exchanges by 1.5 to 2 times.[48]

Such figures, however, overlook the depreciation that has occurred in the value of the Indian rupee. Between the end of 1980 and 1985, the rupee fell by 24.4 percent against the basket of five foreign currencies which the International Monetary Fund uses in setting the value of its unit of account.[49] The rupee-ruble rate, as determined by the usual banking practice of setting a parity by reference to their US dollar values, fell by 19.5 percent in this period. Although the rate actually used to settle transactions between Moscow and New Delhi is not publicly disclosed, it is safe to assume that it is in line with the dollar-based parity.[50] Then, too, the price of internationally traded crude oil averaged 67 percent higher in 1981–85 than in 1976–80.

Even after allowances are made for these factors, it is clear that Indo-Soviet trade grew faster than India's total trade with the world, which increased in this period by only 1.8 times in rupee terms. Looked at from the Soviet side, imports from India expanded at the rate of 7.4 percent a year in 1981–85 compared with 2.7 percent for worldwide imports and 6.6 percent for imports from the less developed countries (LDC's) as a group. Exports to India went up by 5.8 percent a year as against a growth of 3.8 percent for worldwide exports and 10.6 percent for those made to LDC's.

The Future of Indo-Soviet Trade

Despite the phenomenal growth in trade, doubts about future prospects persist. In early 1986, a ranking Indian policy-maker publicly stated that "though Indo-Soviet trade has recorded impressive growth, a stage has been reached which calls for introspection about its future course."[51] Apart from difficulties facing the two economies because of growing foreign exchange constraints, each country realizes that the overall efficiency of its economy must be improved, and that this will require large infusions of both Western technology and capital.

This, in addition to efforts at import substitution and a slower rate of domestic capital formation, limits the scope of Indian purchases of Soviet capital goods. A further factor is an increase of capital goods purchases under the aegis of joint private ventures with firms in other countries.

But India's private sector has a stake in the Soviet market and recognizes the need for reciprocal purchases. An apex organization of business associations, the Federation of Indian Chambers of Commerce and Industry (FICCI), has sent several delegations to identify Soviet machinery of interest. FICCI sees possibilities for industrial cooperation in such fields as machine tools, steel structures, paper and pulp, synthetic rubber, leather goods, consumer durables, and last but not least, textiles.[52] Other business organizations representing various regions and sectors have sent similar delegations to the USSR.

Since the Indian government now encourages the private sector to set up units exclusively for exports to all destinations, including the Soviet Union, this may open up opportunities for the Soviets to sell some machinery to equip such plants. A Soviet trade official announced during Gorbachev's visit that six joint venture agreements and four industrial cooperation contracts are ready to be signed early in 1987. Indian collaborators will reportedly be drawn from both the public and private sectors. The products to be produced by joint ventures for sale in both countries, and if possible third markets, include X-ray equipment, turbo- and hydro-generators, and color TV sets. The official added that some 20 Indian companies were soon to begin negotiations with Soviet counterparts for specific projects.[53] That contracts for such projects are being signed reflects India's desire to maintain export growth—which Indians see as being conditioned upon falling in with the preferred Soviet pattern.

[48] *Financial Times*, Sept. 22, 1980.

[49] International Monetary Fund, *International Financial Statistics Yearbook 1985*, Washington, DC, 1986, pp. 386–89.

[50] The rupee-ruble rate publicly set by the Reserve Bank of India is only for tourist purchases, and is not the rate at which trade is carried out. See comments of then Finance Minister C. Subramaniam to the Lok Sabha as reported in *The Hindu*, Mar. 21, 1975.

[51] Abid Hussain (member of the Indian Planning Commission and former civil head of the Commerce Ministry), "Mutual Trade Patterns: New Thrust Needed," *Economic Times*, Mar. 17, 1986.

[52] Arvind N. Lalbhai, "Trade Prospects," ibid.

[53] See *Hindustan Times* (New Delhi), Nov. 25, 1986.

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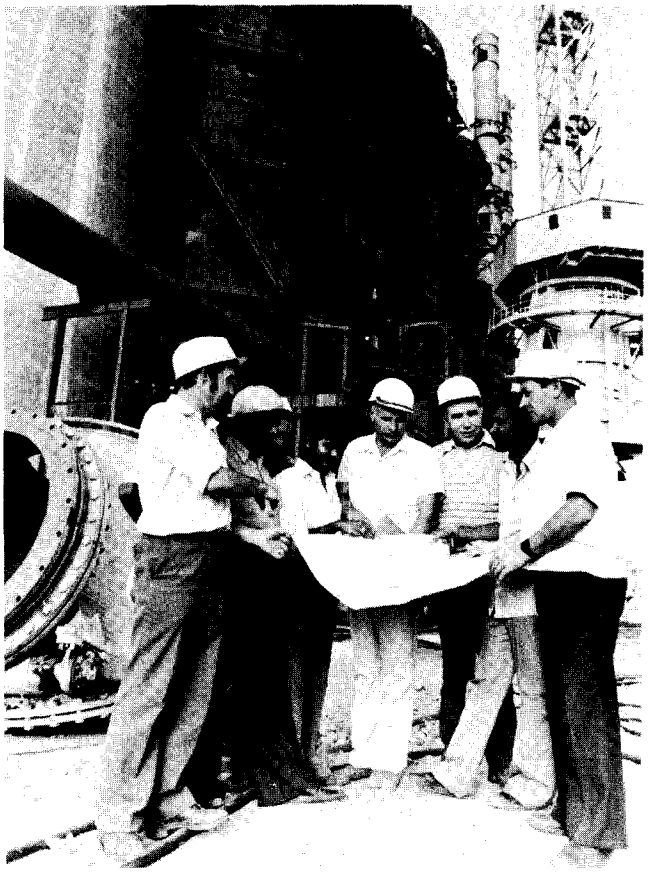

Soviet and Indian specialists at the site of a metallurgical plant in Vickhapatnam being constructed with Soviet assistance.

—TASS from Sovfoto.

There should also be continued scope, as demonstrated by the agreements reached during the Gorbachev visit, for Soviet supplies to infrastructure projects in power generation, mining, and the search for hydrocarbons on land—all of which are in the Indian public sector. The role of the public sector, which absorbs 70–80 percent of imports from the Soviet Union, will remain large in the Indian economy in the foreseeable future. Although its share of plan investments is down to 48 percent in the current five-year period (April 1985 through March 1990) from 53 percent in the previous one, the total allocation in 1984 prices will still be some Rs. 700 billion (approximately US$58 billion), or 62 percent higher in absolute terms.[54]

There is, in theory, room for maintaining and even increasing purchases of Soviet machinery and equipment, the more so because of proportionately larger allocations for the energy sector. Moreover, the decision to have the Soviet side undertake projects on a turnkey basis could mean, as noted above, that the mix of Soviet and Indian equipment may shift in the former's favor. The decision implies that New Delhi wants these projects built faster than the Indian capacity for producing equipment may permit.

Obviously, the volume of trade in both directions will depend to a significant extent on the ability of each country to meet the demands of the other. This raises the issues of quality in the case of Indian primary commodities and light manufactures, and of technological sophistication with respect to Soviet machinery and equipment. Ironically, or so it may seem, the effort each is making to raise exports to hard-currency markets should help in this regard. In sum, if both sides manage to raise their technological threshold in accordance with their declared plans, it could create opportunities for trade that do not exist today. This possibility is reinforced by the agreement reached during the Gorbachev visit for joint work in the development and application of frontier technologies.

Even today there appears to be room for expanded Soviet sales in India. Despite the penchant of Indian observers to view Soviet technology as obsolescent if not outright obsolete, there is, in the words of one Western specialist, "a certain proportion of Soviet output [that] is technologically respectable by international standards, and the Soviet Union is world leader in some instances." He cites ferrous and non-ferrous metallurgy, a machine tool industry capable of building complex machining centers of high quality, welding technology, and the manufacture of specific production equipment.[55]

For the most part, India's needs are for proven and mature technology. This is indeed what it has been acquiring either through outright purchase or through collaboration from a variety of sources. In any event, almost all Indian industrial plants—except for the very few which are the first of their kind in the country—have a high proportion of indigenous equipment. The balance that has to be imported can be obtained from Soviet or East European sources if the same mature technology is being used there as well, as is often likely to be the case.

If this is to happen, several preconditions will have to be met. India will have to take into account that these countries require advance notice if they are to incorporate Indian needs into their manufacturing plans. But once provided for in the those plans, delivery accord-

[54]Economist Intelligence Unit, *India to 1990*, Special Report No. 1054, London, Economist Publications Ltd., 1986, pp. 59–73.

[55]Julian M. Cooper, "Technology in the Soviet Union," *Current History* (Philadelphia), October 1986.

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ing to schedule is probably more assured than would be the case with some heavy equipment produced within India itself. New Delhi for its part will have to settle for adequate rather than optimal solutions, which in fact it has been routinely doing for many years when it asks plant managements to look for what they need from Western donor countries from which credit happens to be available at the time. Because of foreign exchange constraints New Delhi has rarely enjoyed the luxury of unfettered choice either in civilian or military purchases.

The fact that Soviet-built projects in India, including some which are currently being modernized with Soviet help, are increasingly making additional purchases of *Western* equipment indicates that India has been asserting its right to make its own decisions regarding the choice of technology. The steel plant Moscow is helping to build at Vishakapatnam will obtain half of its imported equipment from the West and the other half from the Soviet Union. (Moscow can hardly raise objections, because it is itself increasingly undertaking projects in association with Western firms.) The ultimate examples of India exercising its freedom of choice are the addition of Western avionics to Soviet MiG's and the marriage of Soviet guided missiles with Western electronics gear in a new generation of frigates for which the basic design came originally from Britain. This integration of equipment is done by India on its own, with both Soviet and Western suppliers barred from access to the equipment, as a safeguard against leakage of technology from one to the other.

Finally, the criticism that the perennial Indian trade surplus is evidence that the Soviet Union is unable to supply what India needs is debunked by at least one Indian analyst as a "red herring." As he observes, "the purchase of defence equipment by India from the Soviet Union is not shown in the trade account. We pay for these items through our exports. The special payments arrangement has in effect meant that trade is balanced in terms of payments."[56]

There is evidence corroborating this view in Soviet figures for trade with developing countries. In relation to identified developing countries, there has been a persistent deficit, which peaked at $3.5 billion in 1981 but was still as much as $2.2 billion in 1983. Against this, there was an equally persistent and larger surplus, amounting to $4.5 billion in 1983, which is not identified by countries. It seems that arms exports are as a rule included in exports not identified by category or by specific country destination, accounting for over two-fifths of trade with developing countries in 1981.[57]

The importance to India of the USSR as a source of advanced weapons is likely to be reinforced because India's supply of foreign exchange will be tighter than ever in the next few years. The sluggishness of exports for hard currencies limits the option of borrowing from capital markets to tide over the difficult years ahead. Improvements in access to sources of military hardware and technology, following a shift in US policies since mid-1985, may not, therefore, promote the diversification in weapons purchases that New Delhi undoubtedly seeks and Washington as well as its Western friends wish to encourage. The advantages of buying from the Soviet Union at low prices, backed by subsidized credits, may prevail over the risks inherent in heavy dependence on just one source of supply.

Both countries will undoubtedly give high priority to expanding their trade with hard-currency markets. What is likely, therefore, is a gradual decline—proportional rather than absolute—in economic exchanges as both sides pursue alternative trade opportunities to the extent they can in a forbidding global environment. For India, the shift is likely to be slow, given the large share of Soviet exports in total exports. The Soviet Union has various incentives to switch to other markets for its readily traded "hard" commodities and products, but the ratio of economic benefit to political cost is likely to work in India's favor because the latter's share in total exports from the USSR is very small, except in the case of oil. In sum, Soviet-Indian economic cooperation may maintain its momentum even in face of obstacles because the leaderships of the two countries have decided for different reasons that this is essential in their respective national interest.

[56]Arvind Vyas, "Indo-Soviet Trade: Dynamics and Constraints," *Economic and Political Weekly*, Aug. 10, 1985.
[57]Graziani, loc. cit.

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Soviet Eurasian Empire and the Indo-Persian Corridor

Milan Hauner

Does the Indo-Persian Corridor—those territories lying between the USSR and the waters of the Persian Gulf and Indian Ocean—occupy a significant place in Soviet global strategy? This question cannot be answered from a survey of the bilateral relationship between the Soviet Union on the one hand, and India, the strongest South Asian power, on the other. Even adding other regional powers (for example, Pakistan) or transregional powers with impact on South Asia (such as China) to the equation does not provide us with a fully adequate picture of the factors bearing on Soviet strategic thinking about this part of the world. This is due to the fact that the Indo-Persian Corridor constitutes but one component in a Soviet decision-making perspective that takes account of the global "correlation of forces" (*sootnosheniye sil*).

According to Seweryn Bialer, the "correlation of forces" assesses both static and dynamic aspects of all the multiple elements that ultimately bear on the relative strength of the two superpowers, including "variables as diverse as the geopolitical situation, economic and technological performance, the military balance, projected global image, costs and contributions of alliances, and psychological and ideological sources of social instability worldwide."[1] Western analysts have noted that the concept of "correlation of forces" has no equivalent in the decision-making processes of the Western powers.[2] It differs from the "balance of power" in that it contains an important teleological dimension, namely the belief in an "objective course of History" that has allegedly preordained the ultimate victory of the progressive system of socialism over the reactionary forces of capitalism. This is particularly important for understanding the dynamic approach to the Third World demonstrated by Moscow during the post-Stalin era. It is much more flexible than the rigidly dichotomous Islamic view of the world as one divided between *Dar ul-Islam* and *Dar ul-Harb*. The closest approximation to the concept of the "correlation of forces" in the West was perhaps the "grand strategy" conceived by the Anglo-American Allies during World War II. "Grand strategy" was concerned not only with military potential, but also with all other important factors contributing to the nation's strength and willpower.

To comprehend where the Indo-Persion Corridor fits into present and future Soviet "correlation of forces" calculations, it is useful to track the history of Russian/Soviet strategy toward the region. A good starting point is to clarify some basic questions of geographic definition.

Geographic Terms and Concepts

The terms and concepts applied to the region generally lack precision and must be viewed in historical context. For example, the area under investigation here might be referred to as "South Asia," but this should not be confused with the geographic concept identified with the post-1947 independent Indian sub-

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[1]Seweryn Bialer and Joan Afferica, "The Genesis of Gorbachev's World," *Foreign Affairs: America and the World 1985* (New York), No. 3, 1986, p. 635.

[2]Vernon V. Aspaturian, "Soviet Global Power and the Correlation of Forces," *Problems of Communism* (Washington, DC), May-June 1980, pp.1–18; Henry S. Bradsher, *Afghanistan and the Soviet Union*, Durham, NC, Duke University Press, 1983, pp. 126–48; and Dieter Braun, *The Indian Ocean*, London, C. Hurst & Co., 1983, p. 49.

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continent. It might be useful, then, to review briefly some of the terms that various actors have applied to this vast region over the years.

At the outset, one should note the substantial differences between Western and Russan traditions of cartographic projection. For the last 400 years, the Western view has been conditioned by the prevailing type of cylindrical maps, derived from the 16th-century Mercator projection of the Earth, which creates considerable distortion in the higher latitudes above the Equator, i.e., those along which the Russian Eurasian Empire has expanded. Since the Russians are looking "down" from the north, an azimutal (polar) projection based on the northern hemisphere would reflect more accurately the Russian point of view.

More recently, the West muddied the lines delimiting Central Asia, South Asia, and the Middle East, when for reasons of temporary military convenience during World War II, the British set up a "Middle East Command," lumping together not only all countries of the Maghreb and of Arabia proper, but also Iran, the Persian Gulf, Turkey, Greece, and Cyprus in the north, as well as Sudan and East Africa in the south. Moreover, this new Command overlapped clumsily with the already established defense perimeter of the India Command, which claimed responsibility over the entire vast area stretching from Hong Kong to Egypt, including the whole of the Indian Ocean.

Although the British had to relinquish their key position in India after World War II, they continued to play the role of international policeman in the Persian Gulf with relative success until 1971, preventing Soviet involvement and the spread of regional upheavals. For instance, British naval and air forces thwarted the Iraqi attempt to annex Kuwait in 1961; the British were also behind preemptive coups in Abu Dhabi (1966) and Oman (1970).

When Britain abandoned the Gulf for good, the United States became the only major Western power capable of competing with the growing Soviet military and naval presence in the region. The Truman and Eisenhower doctrines (of 1947 and 1957 respectively) aimed at creating a defensive belt along the rimlands of the Soviet "Southern Tier." The US policy of containing communism led in 1955 to the formation of the defense alliance called the Baghdad Pact, which comprised Turkey, Iraq, Iran, Pakistan, and Great Britain (the name changed to CENTO—Central Treaty Organization—in 1959, after Iraq's withdrawal).

Another important state absent from the defense of what the West perceived as the "Northern Tier" (corresponding to the Soviet "Southern Tier") was Afghanistan, in whose friendship US foreign policy seemed less interested than in that of Pakistan. The absence of Iraq and Afghanistan from defense arrangements constituted a serious strategic handicap for the West, which was compounded by the gradually increasing pro-Soviet stand of non-aligned India, especially after 1971, which saw the Indo-Pakistani war and the signing of a friendship treaty between Moscow and New Delhi.

The revolution in Iran inflicted the final blow on CENTO. In its place there have emerged two mutually incongruous substitutes: The Gulf Cooperation Council, which is an alliance of the oil-producing emirates, and the US Rapid Deployment Joint Task Force (RDJTF, or simply RDF). Creation of the RDF (since January 1983 known as the US Central Command , or USCENTCOM) further confused the dividing line between geographic reality and strategic purpose. Although the new area to be defended has been referred to as "Southwest Asia," it actually covers northeast Africa (Egypt, Sudan, Ethiopia, Somalia, and Kenya), and Arabia proper (Jordan, Iraq, Saudi Arabia, the Gulf emirates, Oman, and both Yemens), as well as Iran, Afghanistan, and Pakistan. Although this scope seems almost identical with the British Mideast Command of World War II, it does introduce a new kind of discriminatory delimitation on the regional level, dictated by Washington's geopolitical expedience—e.g., Israel, Lebanon, Syria, and Turkey have been left out intentionally.[3]

For their part, the Russians tended to view the region in question as the "Middle East" (*Sredniy Vostok*), the middle piece between the Near East (*Blizhniy Vostok*), stretching from the Maghreb to the head of the Persian Gulf, and the Far East (*Dal'nyy Vostok*), which meant the regions facing the Pacific Ocean. If viewed southward and eastward from the Kremlin's observation platform, this triple division of the Orient made, and still makes, perfect sense. For Moscow, the "Middle East" began, in the west, at the great divide between the Caucasus and the Persian Gulf, which separated geographically not only the Black and the Mediterranean seas from the Caspian Sea and the Indian Ocean, but also served as the great divide between the former Ottoman realm and those of Persia (Iran) and India. The eastern limit was demarcated less precisely.

Only after the emergence of the "Central Asian Question"—as the late-19th-century Anglo-Russian rivalry over the approaches to the Indo-Persian Corridor was called (a competition better known under its ro-

[3]Robert G. Lawrence, *US Policy in Southwest Asia: A Failure in Perspective*, Washington, DC, National Defense University Press, 1984.

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manticized name of the "Great Game")—did the Russians usage coincide with the British. Thus, the preeminent Russian military geographer, General Andrey Snesarev (1865-1937), defined "Central Asia" in his seminal work, *India as the Main Factor in the Central Asian Question*, as consisting of the following territories: "our" Turkestan, Khiva, Bukhara, India (northern), Kashgaria, the Pamirs, Tibet, Afghanistan, Baluchistan, and eastern Persia.[4]

Elements of Russian/Soviet Strategy

Three elements seemed to have characterized Russian and Soviet military strategy vis-à-vis the Indo-Persian Corridor in the 100 years since the conquest of Turkestan: diversion, subversion, and the drive to gain access to warm-water ports.

Diversion. The essence of strategic diversion, as exemplified in the plans of Russian military leaders Nikolay Chikhachev, A. O. Duhamel, Stepan Khrulev, Mikhail Skobelev, Aleksey Kuropatkin, and others, was to foster fears in the British that a Russian invasion of India was imminent, and thereby diminish British pressure on or attention to other theaters of war where Russia felt threatened or was preparing to attack (e.g., the Balkans, the Turkish Straits, the Caucasus, the Far East). "The Russian object," George Nathaniel Curzon, the future viceroy of India, declared in 1889, "is not Calcutta, but Constantinople. . . . To keep England quiet in Europe by keeping her employed in Asia, that, briefly put, is the sum and substance of Russian policy."[5]

That Curzon read well the Russian mind can be documented by the instruction from St. Petersburg to the Russian consul in Bombay received in 1900:

The fundamental meaning of India to us is that she represents Great Britain's most vulnerable point, a sensitive nerve on which one touch may perhaps easily induce [Britain] . . . to alter its hostile policy toward us, and to show the desired compliance on all those questions where our . . . interests may collide.[6]

Subversion. The second strategic element—subversion—was collateral to diversion in most Russian schemes. General Skobelev's plan of 1877, for instance, was one of the most ambitious. As he saw things, a Russian invasion of India via Afghanistan might not only incite a wave of simultaneous insurrections in the subcontinent, but might even produce a social revolution in England.[7]

However, the most accomplished and elaborate subversive schemes were concocted on the eve of World War I, not in Russia or England, but in Germany. The German planners hoped to awaken and skillfully manipulate the fanaticism of Islam throughout the crescent of Muslim territories from Lahore to Casablanca.[8] Ironically, it was the Bolsheviks who ultimately put to use the expertise and groundwork of subversion laid down by the Berlin-sponsored Indian agents. Diversion and subversion became important factors in the Bolsheviks' new "Eastern Strategy," which was intended to set the Orient ablaze. In August 1919, Trotsky wrote that "the road to Paris and London lies via the towns of Afghanistan, the Punjab, and Bengal."[9] He appointed the ex-tsarist General Snesarev as director of the General Staff Academy in Moscow. In his first course of lectures, delivered in the fall of 1919, Snesarev focused on the military geography of Central Asia and discussed the topic of invasion of British India via Afghanistan.[10]

Drive to warm waters. Unlike diversion and subversion, which have been more or less accepted as irrefutable components of Russian/Soviet imperialist policy, the "drive to warm waters" continues to arouse great controversy since it is branded with the stigma of historical forgery, namely the fraudulent "testament" of Peter the Great. Yet the testament, which fueled Russophobia well into the 1940's, does provide, in the words of one observer, a rather "good synopsis of Russia's past and potential territorial expansion."[11]

At least one contemporary Soviet strategist has taken Tsar Peter's putative geopolitical ambitions as a given. This is Admiral Sergey Gorshkov, architect of the present Soviet naval expansion. Commenting on Peter's Azov campaign (1695-96), Gorshkov wrote: "further development of the state and its economy

[4]A. E. Snesarev, *Indiya kak glavnyy faktor v sredne-aziatskom voprose* (India as the Main Factor in the Central Asian Question), St. Petersburg, A. S. Suvorin, 1906, pp. 7–13.

[5]G. N. Curzon, *Russia in Central Asia in 1889 and the Anglo-Russian Question*, London, Longmans Green, 1889, pp. 313–23.

[6]A. L. Popov, "English Policy in India and Russo-Indian Relations in 1897–1905," *Krasnyy Arkhiv* (The Red Archive), No. 19, Moscow, Gosizdat, 1925, pp. 56–63.

[7]H. Sutherland Edwards, *Russian Projects Against India from the Czar Peter to General Skobeleff*, London, Remington, 1885, pp. 271–93.

[8]Thomas G. Fraser, "Germany and Indian Revolution, 1914–18," *Journal of Contemporary History* (London), No. 12, 1977, pp. 255–72; Fritz Fischer, *Germany's Aims in the First World War*, London, Chatto & Windus, 1967, pp 120–54.

[9]Jan M. Meijer, Ed., *The Trotsky Papers, 1917–1919*, Vol. 1, The Hague, Mouton, 1964, pp. 623–25.

[10]A. E. Snesarev, *Afganistan* (Afghanistan), Moscow, Gosizdat, 1921.

[11]Albert Resis, "Russophobia and the Testament of Peter the Great, 1812–1980," *Slavic Review* (Champaign-Urbana, IL), Winter 1985, p. 692.

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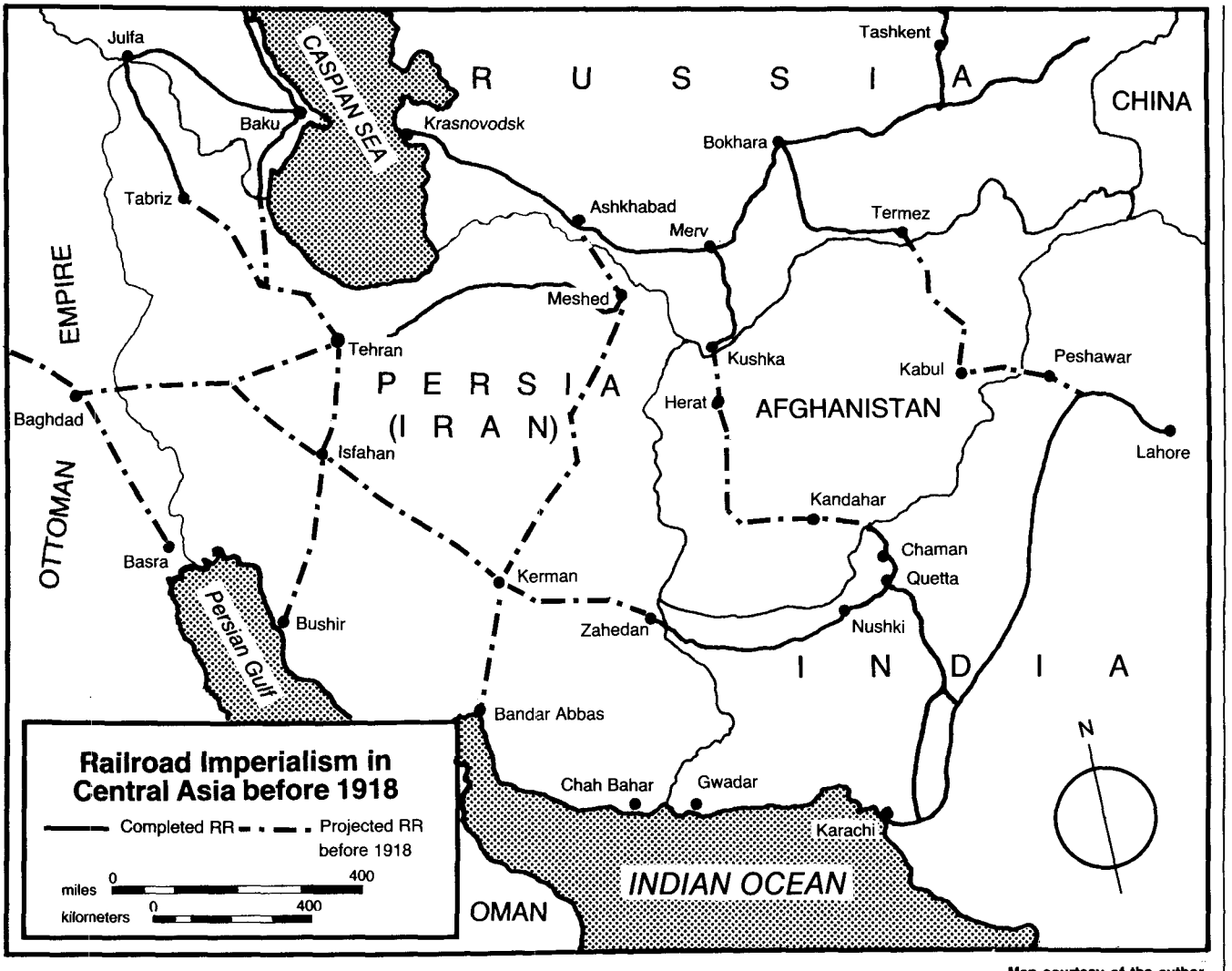

—Map courtesy of the author.

could have proceeded only with the establishment of outlets to the sea."[12]

Tsar Peter's name is also associated with two military expeditions that attempted to gain access to the Indian Ocean through the Indo-Persian Corridor in order to establish trade links with Persia, India, and China. These expeditions, and numerous others that followed under Peter's successors, scored no success until the conquest of the intermediate zone—Transcaucasia (in the 1840-50's) and Turkestan (1860-80's).

Even then, the essential logistical prerequisites for a successful penetration to the Persian Gulf did not exist until the completion of Russia's three strategic railheads at the entrance to the Indo-Persian Corridor. These were: (1) in Azerbaijan, the Julfa railhead at the Iranian border (1907) and an extension of this line to Tabriz (1916); (2) the Transcaspian Railway (1880-88), with its branch line to Kushka (1900) opposite Herat; and (3) the second railhead on the Afghan border at Termez (1916), connected with the Transcaspian as well as with the Orenburg-Tashkent line (1905).

Critical to Russia's long-term aspirations to project her power and influence to the Persian Gulf ports were numerous schemes connected with the Trans-Persian Railway, which was to provide the vital nexus for an alternative land route from Europe to India. The optimal alignment from the viewpoint of Russian military surveyors was a straight north/south line across Khorasan and Seistan to Bandar Abbas or Chah Bahar.[13]

[12]S. G. Gorshkov, "Russia's Road to the Sea: Peter I to Napoleon," in Herbert Preston, Ed., *Red Star Rising at Sea*, Annapolis, US Naval Institute, 1974, p. 14.

[13]Firuz Kazemzadeh, "Russian Imperialism and Persian Railways," *Harvard Slavic Studies* (Cambridge, MA), No. 4, 1957, pp. 355–73; H. R. Sykes, "Our Recent Progress in Southern Persia and Its Possibilities," *Proceedings of the Central Asian Society* (London), Mar. 1, 1905.

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The British, determined to remain the dominant power in the Indian Ocean area, succeeded in thwarting these plans—and thus the realization of Russian designs for a "second Port Arthur," on the Persian Gulf. The agreement of 1907 delimitated new spheres of interest between the two rivals in Central Asia, and in the same year, Britain's Committee of Imperial Defence established a secret policy making any Russian attempt to invade Afghanistan a casus belli.[14] British determination and adverse geopolitical circumstances prevented the Russians from expanding their logistical infrastructure closer to the Gulf. Meanwhile, the Russians directed their activities toward the "peaceful penetration" of northern Iran, of Sinkiang, and of Mongolia.

Most important in Russia's relative neglect of the Southern Tier was the fact that Russian/Soviet planners never really accorded to this region the same priority as they did to the potential theaters of war in Europe or in the Far East. Only a radical shift in the political and military balance, affecting the whole of Eurasia, could have changed what Moscow must have judged an unfavorable "correlation of forces" in the Southern Tier. Such a moment did occur, briefly, after the outbreak of war in Europe in September 1939, when Great Britain, engaged single-handedly in a life-and-death struggle against Germany and Italy, had to appease Japan in the Far East and consequently could not pursue an effective defense of Central Asia. Between 1939 and 1941, there was thus a strong possibility that the Soviet Union, since August 1939 Germany's "junior partner," would join the Axis Powers, if it agreed, according to the formula proposed by Hitler and his foreign minister Ribbentrop, to "center her territorial aspirations . . . in the direction of the Indian Ocean."[15] But Stalin procrastinated. He was not at all anxious to give up claims on Finland, the Balkans, and the Turkish Straits, where Nazi and Soviet interests clashed, in exchange for the questionable privilege of attacking the British position in India as Hitler's vassal.

Nevertheless, Soviet policy in Afghanistan and Iran at that time was far from passive. The Afghan government regarded the Ribbentrop-Molotov Pact of 1939 as a green light for an imminent Soviet invasion of its country.[16] As for Iran, there is evidence that several months before the secret Molotov-Ribbentrop negotiations in Berlin (November 1940), the Soviets had pressed Teheran to permit them to station troops and air forces in important strategic locations inside Iran, and to grant transit rights on the Trans-Iranian Railway together with free zones in the Gulf ports.[17] A captured Soviet contingency plan for the military invasion of Iran, redrafted probably in early 1941, i.e., just before the German attack on the Soviet Union, reveals that the Soviets were primarily interested in overcoming the anticipated resistance of the Iranian and British Imperial troops along the main avenues of invasion, rather than in seizing the Gulf ports, since the USSR then had no naval forces that could utilize them.[18]

Ironically, shortly thereafter, in August 1941, Soviet forces actually did invade Iran, but now the USSR was a partner of the British imperialists. The Soviets must have been immensely pleased that the great Trans-Iranian Railway, Reza Shah's most ambitious modernization project (1927–38), became immediately available to ferry vital American Lend-Lease supplies to the hard-pressed Red Army. Compared with other convoy routes to the Soviet Union, the "Persian Corridor" was the safest, since the Indian Ocean was not infested by German or Japanese submarines. This link could operate year-round and offered the shortest route to Stalingrad, where the decisive battle of the Russian Front was about to begin. Almost eight million tons of supplies were shipped to Russia via this route—a lesson in logistical efficiency and in the paramount importance of the "sea lane of communication" (SLOC) through the Indian Ocean unlikely to have been forgotten in Moscow.

Today, the 1,400-kilometer-long Trans-Iranian Railway, featuring more than 220 tunnels totalling 84 kilometers in length, with countless bridges and heavy gradients, and rivaling the best even Switzerland can claim, remains the single most impressive technological achievement in Central Asia. It is still the only rail link across the Indo-Persian Corridor in the north-south direction. It was intentionally designed to avoid direct connection with either the Russian or the British/Indian rail systems with regard to gauge and location of terminals.

In the 1970's, Reza Shah's son wanted to link up the Iranian and Pakistani rail systems. A spur from Qom via Yazd reached Kerman in 1977, whence a branch line was to be extended to Bandar Abbas. The main line was to continue from Kerman to Zahedan, the old

[14]J. C. Hurewitz, Ed., *The Middle East and North Africa in World Politics: A Documentary Record*, Vol. 1, New Haven, Yale University Press, 1975, pp. 538–41; and N. .H. Gibbs, *Grand Strategy, Vol. 1: Rearmament Policy*, London, HMSO, 1976, p. 825.

[15]M. Hauner, *India in Axis Strategy*, London, Stuttgart, Clett-Cotta Verlag, 1981, pp. 185–86.

[16]Ibid., pp. 132–73, 306–39.

[17]H. Glaesner, *Das Dritte Reich und der Mittlere Osten* (The Third Reich and the Middle East), Ph.D dissertation, University of Würzburg, 1976, pp. 302–12.

[18]*Soviet Command Study of Iran*, Moscow, 1941. Draft Foundation and Brief Analysis, by Gerold Guensberg, Arlington, VA, SRI International, 1980.

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terminal of the Quetta-Nushki Extension Railway built by the British during World War I. The three principal cities of Afghanistan—Herat, Qandahar, and Kabul—were to be connected to this new "Trans-Persian Railway." For this purpose, the Shah offered a US$2 billion credit to Afghan President Sardar Mohammad Daoud in 1975. Once completed, the Shah's new railway system would have redirected the flow of Afghanistan's trade away from the Soviet border back to the traditional markets of South Asia and the Middle East.

In the absence of verifiable evidence, all speculation about the actual Soviet role in thwarting the Shah's new "Trans-Persian Railway" scheme must remain conjecture. But, one assumes that the Shah's ambitious dream of establishing a Teheran-Kabul-Islamabad alliance welded together by this important transportation link was viewed in Moscow with little pleasure, especially as the new lateral axis would soon connect to China, which was close to completing the 1,200-kilometer-long Karakoram Highway across the Himalayas from Kashgar to Islamabad.

There have been recent indications that the former Shah's railway schemes have been resumed, albeit on a less ambitious scale. Because of the Gulf War, port facilities at Bandar Abbas and Chah Bahar are being expanded. Teheran is interested in establishing a rail link to Bandar Abbas, either from Kerman or Bafq, which is a distance of about 750 kilometers. Work has apparently also been resumed along the Kerman-Bam-Shur Gaz alignment in the direction of Zahedan.

A Dual Strategy Toward the Region

Can one discern a certain logic in Soviet strategic penetration of the Indo-Persian Corridor in the light of recent history? How does one reconcile the apparent strategic caution displayed by Moscow on the Southern tier with other manifestations of Soviet great power behavior in the same region, such as the systematic build-up of the transportation infrastructure and extension of support to subversive activities.

What seems to emerge from an examination of these questions is a picture of two interlocking Soviet strategies. The first is the long-term projection of influence, an approach that avoids the application of direct force and combines diplomatic with economic pressure to gain control over the transportation infrastructure. One can track this long-range policy on the part of the Soviet Union back to as early as 1921, when bilateral treaties of "friendship" were signed between Moscow on the one hand, and Kabul and Teheran on the other. In the Afghan case, it took the Kremlin more than 30 years to achieve the important breakthrough in influence during the 1950's.

The second strategy consists of seizing sudden opportunities and exploiting effervescent chances as they arise along the unstable frontier in Central Asia. This policy combines limited cross-border military intervention with political subversion and support of separatist movements (e.g., Soviet-sponsored propaganda and subversion vis-à-vis British India through Afghanistan in 1919-22; attempts to set up the "Soviet Republic of Gilan" in northern Iran [1920-21]; a brief armed incursion into northern Afghanistan [May 1929]; preparations for the invasion of Iran and northern Afghanistan [1940-41]; and creation of the Soviet-backed "autonomous republics" of Azerbaijan and Kurdistan in Iran [1945-46]).

In the Soviet invasion of Afghanistan in December 1979, these two seemingly contradictory strategies seemed to merge, even if the timing was not necessarily to Moscow's liking. Capitalizing upon factional strife within Afghanistan, Moscow invested its troops in the country, simultaneously putting itself in a position to further its movement toward "warm-water" ports through the systematic build-up of transportation infrastructure. Roads and railways are the sinews of political and economic penetration, particularly of the Russian/Soviet type of imperialism, in which expansion has generally been into contiguous areas and so has been inseparable from railway transport. Today, a modern transport infrastructure is being expanded from the southern USSR into Afghanistan, which until recently had been the last remaining hiatus between the infrastructures of Soviet Central Asia, Transcaucasia, Iran, and the vast railway network of former British India. Hitherto impassable mountains, like the Hindu Kush or Karakoram, no longer represent technologically insurmountable obstacles. Even before 1979, the Soviets had pierced the Hindu Kush in Afghanistan with the Salang Tunnel (completed in 1965); indeed, without this tunnel they would not have been capable of carrying out the 1979 invasion and staying in Kabul today.[19]

It remains to be seen whether the present reported extension of Soviet rail lines into Afghanistan—one south from Kushka and the other south from Termez across the new Amu Darya bridge (completed in 1982)—are to be eventually linked up with the still incomplete Iranian and Pakistani networks, both of

[19]The Chinese, too, have extended military roads across the Himalayas into the region, to Pakistan and Nepal (1965–78). China is a remarkable example of how even an under-developed land-based state is able to sustain three "cross-mountain" battlefields—in India, and in both North Korea and North Vietnam against an overwhelming US air and sea superiority.

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The north portal of the Salang Tunnel, a key link in the communication line from Soviet Central Asia to Kabul and points south.

—Photo by John F. Shroder, Jr., University of Nebraska (Omaha).

which, of course, operate on a different gauge than the Soviet system. If and when the Soviet intention in this regard becomes clear and a link-up is made, it could certainly constitute an event of major geostrategic significance. However, it will take many years for Iran to complete the Bandar Abbas–Zahedan link (almost 1,000 kilometers long), and it would appear most plausible that the Soviets would like to avoid any violent move against Iran and Pakistan for the time being, that is, until the strategic rail link is completed "peacefully," probably by the Iranians themselves with the assistance of foreign (non-Soviet) companies.

Other opportunites, such as insurrections and military coups stimulated or caused by Kurdish, Baluch, or Pashtun separatism, combined with serious political upheavals in Iran and Pakistan, or a new crisis brought about by an Iranian victory in the Gulf War, might tempt Moscow to seek a more forceful solution. But, given Moscow's bitter experience in Afghanistan, where the bitter conflict drags on year after year in what must be rated as a definite setback for long-range Soviet political plans in the region, the USSR might prefer to wait for a convenient fait accompli, that is, until the "correlation of forces" is in their favor.

Broader Strategic Context

The geostrategic significance of Central Asia cannot be determined in isolation from other security concerns of the Soviet Eurasian Empire. Historically, Central Asia dominated Russia's Asian strategy infrequently. It was most salient during the 1860-80's, but thereafter the Far East that became the focus of Russian expansionism in Asia.

Nonetheless, the Southern Tier had assumed at the beginning of the 20th century an important dual function. First, it was a convenient platform, perfectly sheltered on the southern edge of the Eurasian heartland from any attack by hostile sea powers (this observa-

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Table 1: Deployment of Soviet Armed Forces, 1986

Force component	Western GTVD: North-western TVD	Central European TVD[1]		Southwestern TVD[1]		*NSWP*[2]	Southern TVD	Far Eastern GTVD	Strategic Reserve
Divisions[3]	10	63	(31)	27	(24)	*55*	32	56	18
Tanks	1,400	19,460[6]	(9,800)	6,850	(5,300)	*15,100*	5,400	14,900	4,590
APC's[4]	3,130	20,400	(11,800)	5,400	(5,400)	*17,200*	9,100	17,300	3,600
Artillery	2,000	15,000	(5,800)	5,900	(3,850)	*9,650*	5,600	13,400	4,175
Tactical SSM's[5]	100	580	(230)	200	(155)	*385*	185	375	120
Aircraft	225	2,320	(1,600)	910	(750)	*2,350*	965	1,730	150

[1]Figures in parentheses belong to the Non-Soviet Warsaw Pact member states; they are totaled under the NSWP heading.
[2]Total forces of non-Soviet Warsaw Pact member states (sums of numbers shown in parentheses under Central European and Southwestern TVD's).
[3]Figures include motor-rifle, tank, airborne, and artillery divisions. Soviet divisional strength varies from 7,000 men (airborne) to 11,000 (armored), and 14,000 (mechanized).
[4]Armored personnel carriers.
[5]Surface-to-surface missiles.
[6]The IISS (see below) gives a smaller figure—10,500—which excludes those in reserve.

SOURCE: Compiled from US Department of Defense, *Soviet Military Power 1986*, Washington, DC, US Government Printing Office, 1986; and International Institute for Strategic Studies, *The Military Balance, 1984-1985*, London, IISS, 1984.

tion, incidentally, must have been one of the major inspirations for Lord Halford John Mackinder's 1904 concept of a Eurasian "heartland,"[20]) from which diversionary operations through the Indo-Persian Corridor could be launched to threaten British India. The second function was to back up the vulnerable lifeline connecting the two extremities of the Empire, along what Winston Churchill would have called "the soft underbelly" of Russian Eurasia.

This west-east lifeline is epitomized in the construction and further improvement of the Trans-Siberian Railway (the line was completed in 1904, but it is still being upgraded to this day, with double tracking and electrification). Russia's decision to complete the Trans-Siberian Railway must be understood as a sign of irrevocable determination to hold on to the Far Eastern territories, come what may. The vital importance of this west-east lifeline created by the new transcontinental railway was underlined during the Russo-Japanese War of 1904-05, when the Russian Eurasian Empire was confronted with a new factor that henceforth haunted the minds of Russian strategists: the nightmare of a two-front war contested simultaneously at the two extremities of Eurasia.

Today, the Trans-Siberian "land-bridge" links the two largest military complexes in the world, separated by a distance of more than 13,000 kilometers; in comparison, the Soviet Union's Southern Theater of Military Action (*teatr voyennykh deystviy*—TVD) ranks a "poor third" (see Table 1). Notwithstanding the continuous overriding importance of the Main Theater of Military Action (*glavnyy teatr voyennykh deystviy*—GTVD) against NATO in Europe, the Far Eastern TVD (itself a possible GTVD) has during the last 20 years experienced a phenomenal expansion.

After the Sino-Soviet split, Moscow doubled, then tripled the number of units in the Far East to an estimated current strength of 56 divisions. The USSR also installed an entire logistical infrastructure, including new roads and rail spurs, ammunition and fuel depots, barracks, and hospitals, at the other end of the world. The strenuous effort to complete the Baikal-Amur-Mainline (BAM), totalling over 4,000 kilometers and designed to alleviate the burden on the Trans-Siberian, must be seen as part of this enormous military build-up. Apart from ground and air forces, the USSR effected a massive expansion of its Pacific Fleet, which has become the largest among the four separate fleets of the Soviet Navy. Moscow also deploys smaller detachments in the South China Sea (from Cam Ranh Bay) and in the Indian Ocean (from Aden and the Dahlak Islands).

By contrast, no comparable build-up has been observed along the Southern Tier, where an independent TVD has been in existence since 1969. The present 32 Soviet divisions there are estimated to be at lower combat readiness than the average units from the two GTVD's. Until the invasion of Afghanistan, about three-quarters of the units from the Southern TVD had been deployed in the North Caucasus and Trans-Caucasus military districts, whereas the Turkestan military district has never had more than six divisions.

Even the quality of the 40th Army, with its estimated 6-7 divisions operating inside Afghanistan, has been uneven. (At the same time, Afghanistan has been the

[20]Sir Halford John Mackinder, "The Geographical Pivot in History," *Geographic Journal* (London), Vol. 33, 1904, pp. 421–44.

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only "active front" for the Soviet military over the last seven year, providing invaluable combat experience for troops and officers rotated into the country.)

There are at present no signs of a Soviet military build-up along the Southern Tier of sufficient scale to go beyond the requirements for routine support of the 120,000-man contingent inside Afghanistan (believed to be the maximum the Soviets can afford to maintain due to the inadequate supply system) and provide the logistical wherewithal for some more ambitious military operation against Iran and/or Pakistan, let alone for the seizure of the oil terminals in the Persian Gulf.

Break-Out to the Indian Ocean?

Most of what has been said treats the Soviet Eurasian Empire as a land-based entity not overly concerned with "breaking out" from the Central Asian heartland to the Indian Ocean. But is this focus changing? Has the invasion of Afghanistan activated Moscow's interest in this objective and/or brought it nearer to realization?

As already noted, the Sino-Soviet split forced the Kremlin leadership to rethink the function of the west-east nexus between metropolitan Russia and the Far East. It became imperative to close the growing security gap between the western and eastern defense complexes along the "soft underbelly" of the Southern Tier. Unable and unwilling to pour enormous resources into the Southern TVD, the Soviet leadership found a solution in the promotion of a "collective-security" network across the broad belt of Asia's southern rimlands.

As evidenced in the trip of Nikolay Bulganin and Nikita Khrushchev to South Asia in 1955 and in Leonid Brezhnev's speech of August 1969,[21] Moscow has been seeking to construct a new subsystem of "collective security," linking the periphery of the Eastern Mediterranean—where Egypt occupied the key position until the mid-1970's—via the Indian Ocean to the Far East. The dual objectives of the new Soviet policy were soon apparent: to erode the US naval predominance in the coastal waters of the Indian and Pacific Oceans, and to encircle China.[22] In this arch, India remains the keystone (a role highlighted by the 1971 Indo-Soviet Treaty of Friendship and Cooperation).

In building this interlinked subsystem, Moscow has extended military assistance and logistical support. In exchange for military advisers and arms deliveries on attractive terms, the USSR has sought access to basing facilities in order to exercise, if need be, its strategy of "hemispheric denial." This ultimately implies the threat to interrupt Western access to South African minerals and to block oil traffic in the Indian Ocean.

During the second half of the 1970's, the Soviet Union felt confident enough to exploit opportunities at such distant places as Angola and Ethiopia, projecting its military force by sea and air and using Cuban troops as proxies. Constantly reassessing the "correlation of forces," Moscow has geared its strategy toward undermining the status quo of the non-communist world at its most vulnerable points. On balance, however, whatever gains went to Moscow during the 1970's could not compensate for the loss of Egypt, let alone the earlier loss of China.

The new diplomacy of "collective security" cannot be investigated without reflecting on the phenomenal expansion of Soviet naval power. Since the 1960's, both have served in a concerted manner in Moscow's pursuit of the establishment of a maritime passage (a SLOC) from the Black Sea, via Suez and the Indian Ocean, to the Far East. Loss of Somalia and Egypt were key setbacks, only imperfectly compensated by the acquisition of new Soviet *points d'appui* in the Red Sea and the Gulf of Aden in the form of repair and basing facilities at Mitsiwa, Dahlak, Aden, and Socotra (poor substitutes for Alexandria and Port Said).

It should be noted that the initial Soviet intention in the Horn of Africa was more strategic than political: namely to counter the anticipated deployment of US Polaris submarines in the Indian Ocean. However, since the early 1970's, the main Soviet concern has become the protection of a SLOC across the Indian Ocean and the gaining of access to the Persian Gulf. At present, the Soviets clearly want to continue the competition with the United States in the Indian Ocean; they will try to gain more access to the detriment of the West; and they will push quite hard, as in the case of Ethiopia and Afghanistan, if there is no countervailing US presence on hand.[23]

Proposals to transform the Indian Ocean into a "zone of peace" are part of this strategy, which clearly demonstrates the advantages of the long-range "correlation of forces" approach.[24] By contrast, the Rapid Deployment Force of the US Central Command continues to be perceived by many regional states as inter-

[21]See Robert H. Donaldson, *Soviet Policy toward India: Ideology and Strategy*, Camdridge, MA, Harvard University Press, 1974; idem, *The Soviet Indian Alignment: Quest for Influence*, University of Denver, 1979.

[22]Avigdor Haselkorn, *The Evolution of Soviet Security Strategy, 1965–1975*, National Strategy Information Center, New York, Crane, Russak & Co., 1978, p. 5.

[23]Walter K. Andersen, "Soviets in the Indian Ocean: Much Ado About Something—But What?" *Asian Survey* (Berkeley, CA), September 1984, pp. 910–30.

[24]See the summary of a polemical article by Rear-Admiral Aleksandr Pushkin, "US Military Activity in the Indian Ocean," *Soviet Military Review* (Moscow), May 1986, pp. 56–57.

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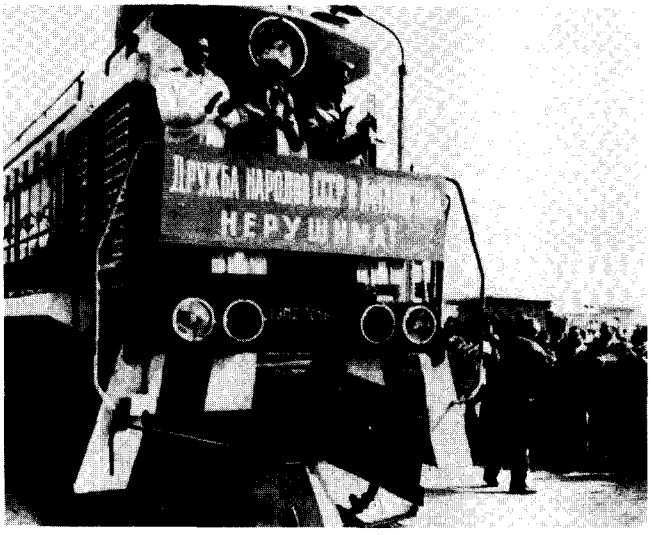

The Soviet Union's rail link to Afghanistan: at top, the bridge completed in May 1982 across the Amu Darya (Oxus) River from Termez in the USSR to Hairatan in Afghanistan (the slogan reads: "We Shall Firmly Guard the Security Interests of Both Our States and Will Fulfill Our Internationalist Duty to the Afghan People--L. I. Brezhnev"); at left, Babrak Karmal (in the white coat) and other Afghan dignitaries on a Soviet diesel arriving at Hairatan after crossing the bridge (the slogan reads: "The Friendship of the Peoples of the USSR and Afghanistan Is Indestructible").

—Photos from *Afghanistan Today*, Moscow, Planeta, via John P. Shroder, Jr.

ventionist, as a sign that the United States is unable to replace military by political and economic means.

The event that has constituted a turning point in the recent history of the Indian Ocean area is the Soviet invasion of Afghanistan. This is true for a variety of reasons, including the following:

(a) It has transformed Afghanistan into a permanent war zone flanking the Indian Ocean, one in which the Red Army has been directly involved for seven consecutive years, with little prospect of withdrawing.

(b) The occupation of Afghanistan has provided the Soviets with a considerable geostrategic advantage in that it halved the distance between the old Soviet border and the warm waters of the Indian Ocean and put the Strait of Hormuz within reach of Soviet air power.

(c) It became one of the catalysts in the chain of upheavals within the region (revolution in Iran, the Gulf War, threats to the oil traffic).

(d) It increased Soviet military and subversive capabilities for intimidating Pakistan, and for exploiting

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Indo-Pakistani and Indo-Chinese tensions in order to bring decisive pressure to bear over the whole subcontinent.

(e) It has given Moscow a free hand to improve the strategic infrastructure of Afghanistan with the ultimate possibility of establishing a year-round naval base on an open sea shore somewhere between Bandar Abbas and Karachi. Such a "second Port Arthur" might then be connected with the Soviet motherland through permanent road and rail communications, which would make it an ideal starting point for a SLOC running to the Far East.

(f) Finally, and perhaps most important from a geostrategic perspective, it has increased the encirclement of China, still considered by many in Russia to be the ultimate foe.

Alongside the new opportunities afforded to the Soviet Union for breaking out from its geographic enclosure in Central Asia toward the Indian Ocean, there remains a geostrategic problem of the first magnitude: namely the two-front-war specter. In this context, it is fair to predict that the Central Asian nexus will be of increasing geostrategic significance, since it finds itself approximately equidistant from the two Main TVD's at the western and eastern extremities of the empire, and because it is located in close proximity to what is perhaps the most politically unstable region in the world. If the Trans-Siberian Railway were cut off from the Far Eastern TVD, then the Indo-Persian Corridor would be the only passage through which the Soviets could gain access to the shore of the Indian Ocean and thence to East Asia via a SLOC.[25] They have no other reliable, year-round alternative.

Moreover, as the invasion of Afghanistan demonstrated, it is only in the Indo-Persian Corridor that the Soviet Union can still expand in Asia without risking a major war. Whether the Soviets will behave more aggressively in the Indo-Persian Corridor depends not on some sort of a master plan for world domination, but on possibly favorable circumstances and the interplay of factors constituting the "correlation of forces." It would be foolish to expect that given a favorable balance of opportunities and constraints similar to that in 1979, the Kremlin would fail to exploit a new opening, thereby missing the chance of strengthening the Soviet Union's superpower status vis-à-vis its two major potential enemies, the US and China.

What are the ramifications to this thinking of a possible emergence of the Indian Ocean area as the world's third independent geostrategic region, endowed today already with about 1.5 billion people?[26] What advantages could Moscow derive from controlling this new geostrategic realm? Although the assets are considerable (access to cheap oil and minerals), they would be offset by Moscow's caution in taking on further millions of devout Muslims and tens of millions of hungry people. Unable at present to feed their own population, today's masters of the Kremlin would presumably prefer not to revive the tsarist dreams of one day ruling over the entire Eurasian Continent.

The Indo-Persian Corridor, thus, continues to be of largely derivative importance for the Soviet Eurasian Empire, its status determined by the continuing stress on the western and eastern fronts and the fear that war with China is in the long run inevitable. This focus on the west-east axis is all the stronger given the shift of the Soviet economic center of gravity to the east of the Urals, where nearly 90 percent of the country's mineral and energy resources are located.[27]

Yet with time, circumstances will endow "Greater Central Asia" with growing importance in international affairs. The region could become again the "geographical pivot of history," as Mackinder characterized it almost a century ago—a fulcrum of power bearing weight to the East, West, and South. Whereas in 1904, Mackinder stressed the inaccessibility of his "Heartland Russia" to sea powers as a prime geostrategic advantage, the major lesson since then has been the avantages that accrue to economies with maritime rather than transcontinental forms of transportation. If the Soviet Eurasian Empire wants to maintain its superpower position vis-à-vis its multiple rivals (the US, Western Europe, China), it must not only rely on its pivot area, but reach out to the warm waters in order to break out from the enclosure. The question is whether Moscow can or will pursue this expansion without violent means.

[25]Michael MccGwire, *Military Objectives in Soviet Foreign Policy*, Washington, DC, The Brookings Institution, 1987, pp. 183 passim; also James T. Westwood, "Soviet Maritime Strategy and Transportation," *Naval War College Review* (Newport, RI), November-December 1985, pp. 42–49.

[26]The other two "geostrategic realms," according to Saul B. Cohen, are the "Trade-Dependent Maritime Realm" (centered on the North Atlantic basin) and the "Eurasian Continental Realm" (consisting of two cores: the Russian Heartland with Eastern Europe, and the East Asian Mainland, centered on China). See Saul B. Cohen, *Geography and Politics in a World Divided*, Oxford, Oxford University Press, 1973, pp. 66, 308–12.

[27]Soviet Academician Abel Aganbegyan has stated that "Siberia and the [Soviet] Far East now account for 88 percent of fuels and raw material, and only 9 percent are near the bulk of the population and industrial centers in the Urals and European part of the USSR." *Trud* (Moscow), Aug. 28 and 29, 1984, trans. in Foreign Broadcast Information Service, *Daily Report: Soviet Union* (Washington, DC), Aug. 30, 1984, p. S/1; also summarized in *The Soviet Analyst* (London), Oct. 24, 1984, pp. 2–4.

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The USSR and Israel

Zachary Irwin

On August 4, 1986, the Soviet Foreign Ministry publicly confirmed its decision to hold bilateral talks with Israeli officials later that month in Helsinki. Foreign Ministry spokesman Gennadiy Gerasimov also acknowledged that a second meeting in Israel was being contemplated: "You can say we are going to Tel Aviv via Helsinki." Asked by a correspondent whether the discussions would lead to a resumption of consular relations, Gerasimov replied, "Why not? This is possible."[1] This off-hand comment was interpreted by some journalists to mean an end to Moscow's insistence that Soviet-Israeli diplomatic relations could be resumed only upon Israel's withdrawal from the territories it occupied during the 1967 Arab-Israeli war. However, a week later, an article in *Izvestiya* reiterated once again the Soviet official position that "diplomatic relations" could not be restored without a change in "Tel Aviv's aggressive policy in the Near East." The meeting in Helsinki, it stressed, represented "no more" than "contacts at the working level between consular employees of the two countries' foreign ministries on questions concerning Soviet property in Israel, and also Soviet citizens living permanently in that country."[2]

Contacts between Soviet and Israeli officials are in themselves not unusual. Even after the rupture of diplomatic relations in 1967, the foreign ministers of the two states have met occasionally at the United Nations and elsewhere since 1973, when Andrey Gromyko and Abba Eban conferred at the first Geneva conference on the Middle East. In 1985, the Israeli and Soviet ambassadors to France, Ovadia Sofer and Yuliy Vorontsov, met in Paris amidst reports that the Soviet Union had suggested a resumption of diplomatic relations and increased emigration of Soviet Jews in exchange for Israel's withdrawal from all or part of the Golan Heights.[3] What was unusual about the Helsinki meeting was that it was deliberately and openly brought about as a formal diplomatic exchange, as well as the suggestion that its limited "consular" agenda could be expanded to cover broader issues. Moreover, reports in the Israeli media and in some Western newspapers fostered the expectation that the Helsinki and subsequent meetings would lead to a normalization of relations with the Soviet Union and even other East European states.[4]

But a resumption of Israeli-Soviet relations, a policy change of major proportions, would involve overcoming serious obstacles on both sides. For one thing, both countries are committed to third-party alliances. Thus, the consequences of a joint statement on a Middle East peace conference and a resumption of relations could arguably be inconsistent with the commitments of the 1981 United States–Israeli Memorandum of Understanding on the one hand, and the several treaties of friendship and cooperation between the Soviet Union and Arab states on the other. The former agreement specifies cooperation against

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[1] *The Washington Post*, Aug. 5, 1986. The TASS report on the news conference was considerably more subdued, see Foreign Broadcast Information Service, *Daily Report: Soviet Union* (Washington, DC—hereafter *FBIS-SOV*), Aug. 5, 1986, p. H/1.

[2] *Izvestiya* (Moscow), Aug. 13, 1986, trans. in *FBIS-SOV*, Aug. 13, 1986, p. H/1.

[3] *The New York Times*, July 21, 1985.

[4] See, e.g., the translations of Israeli press reports in Foreign Broadcast Information Service, *Daily Report: Near East and Africa* (Washington, DC—hereafter *FBIS-NEA*), Aug. 11, 1986, p. I/4.

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Participants in the 90-minute meeting of Israeli and Soviet diplomats in Helsinki on August 18, 1986: at left, Israeli delegate Jehuda Horam on his way to the talks; at right, Soviet officials Nikolay Tikhomirov (foreground) and Genrikh Plinkhin leaving the talks.

—Wide World.

threats "caused by the Soviet Union or Soviet-controlled forces from outside the Middle East."[5] The Soviet friendship treaty with Syria, like those with Iraq and the People's Democratic Republic of Yemen, commits the two parties to political consultation and cooperation on Mideast policies.[6] Short of substantial Israeli territorial concessions, Moscow's Arab clients would have grounds to consider their treaties breached by a Soviet renewal of diplomatic ties with Israel. Syria's insistence on a return of the Golan area is an obvious case in point.

Another potential obstacle is Soviet uncertainty about possible domestic repercussions from dealing with Israel. An Israeli diplomatic presence in Moscow after an absence of nearly 20 years could affect the aspirations of Soviet Jews in ways that cannot be easily calculated. Reportedly, the Soviet-Israeli meeting in Helsinki failed to resolve what its "limited agenda" was to include—that is, whether the talks would extend to Israeli representations on behalf of Soviet Jews.[7] According to Israeli sources, the Israeli representatives delivered a memorandum on Soviet Jewry to the Soviet delegates who indicated that they were not empowered to discuss this issue.[8] The meeting also left unresolved the question of reciprocity. In return for allowing a Soviet delegation in Israel to inspect Soviet property and to meet with Soviet Jews living there, the Israelis wanted to have their representatives meet with Soviet Jewish refuseniks in Moscow. However, the Soviet public position is that "Israel has no right to speak on behalf of Soviet citizens of the Jewish nationality."[9]

Resumption of normal relations, however, could

[5]*The New York Times,* Dec. 1, 1981.

[6]Besides denouncing "colonialism, racialism, and Zionism as one of the forms and manifestations of racialism," the Soviet Union and Syria pledged themselves to a "mutual exchange of views and regular consultations on questions of bilateral relations and on international issues which are of interest to both sides, primarily on Near East questions." See the treaty text in *Survival* (London), January 1981, p. 43.

[7]*The New York Times,* Aug. 19, 1986.

[8]For reports about the Israeli memorandum and the Soviet lack of response, see *FBIS-NEA,* Aug. 18, p. I/3, Aug. 19, pp I/1–2 and Aug. 25, pp. I/2–3.

[9]*FBIS-SOV,* Aug. 20, 1986, p. CC/1. In 1984, there was evidence of extensive demands for emigration from the USSR. In May of that year, the Anti-Zionist Committee of the Soviet Public proclaimed a "struggle against the attempts [of Zionist propaganda] to revive nationalist remnants in the people's consciousness." At a press conference organized by the Committee, its spokesmen cited many instances in which "false words had done their work." According to the Committee, the "sharp decrease" in Jewish emigration was natural because "the process of reuniting separated families has been practically completed." The press conference echoed themes from earlier anti-Zionist phases. Jewish participants emphasized the adequacy of existing opportunities for Jewish national expression in the USSR by reminding the audience that the Jewish Autonomous Region would be celebrating the 50th anniversary of its founding. They said that Israel was attempting to divert world opinion from its own imperialism through Zionist propaganda—in order to "cover up the crimes in Lebanon." See *Literaturnaya Gazeta* (Moscow), May 23, 1984.

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have some desirable consequences as well. The restoration of diplomatic ties, for example, could facilitate the USSR's long quest for brokering a multilateral, "comprehensive" Middle East peace settlement that, in view of Israel's setbacks in Lebanon, might appeal to the Israeli government, or at least to the Labor Alignment led by Shimon Peres.[10] Moreover, a resumption of ties with the Soviet Union is always justifiable on the grounds that this would enable Israel to represent the interests of Soviet Jews more effectively. Finally, from the Israeli viewpoint, having formal relations with the Soviet Union would undermine efforts by the rejectionist Arab states to isolate Israel diplomatically. But US officials today are not calling for a resumption of Soviet-Israeli relations. Instead, the Israelis have been assuring the Reagan administration that their contacts with the Soviets are "routine" and do not imply an unconditional endorsement of Soviet participation in a Middle East peace conference[11] in which the Soviet Union continues to be interested.[12]

To judge the prospects of the current contacts, a brief account of past Soviet policies is indicated. Soviet attitudes toward Israel appear to have been conditioned by the prevailing climate in Soviet domestic policies but also—and perhaps more important—by the prevailing international climate, especially the state of Soviet-American relations. Indeed, in the past, some Western politicians viewed Moscow's attitude toward Israel as a harbinger of authentic Soviet policy changes. For example, following Stalin's death in March 1953, Senator Alexander Wiley, chairman of the US Senate Foreign Relations Committee, invited Soviet Premier Georgiy Malenkov to demonstrate "good faith" by the "concrete" acts of restoring diplomatic relations with Israel and permitting Soviet Jewish emigraton.[13] Thus, restoring relations with Israel was perceived as tantamount to renouncing the anti-Semitism associated with late Stalinism.

Stalinist Legacy in Flux

As is commonly known, the Soviet Union extended de jure recognition of Israel immediately in 1948 and had facilitated the provision of critically needed armaments through Czechoslovakia during Israel's War of Independence.[14] In the case of Israel, the strongly anti-nationalist—and anti-Zionist—slant of communist ideology gave way to Realpolitik: Stalin saw Israel as the major effective challenge to the British presence in the Middle East. It is even not inconceivable that Stalin envisioned an Israel which might become a "people's democracy," if elections led to a coalition government comprising the Communist Maki, the left-wing Mapam, and the Social Democratic Mapai parties.[15] This expectation, however tenuous, was dashed by the overwhelming support for the moderate Mapai party in elections for the first Knesset.

But good relations between Israel and the Soviet Union deteriorated soon after Israel's independence. Soviet Jews openly and warmly welcomed the new Israeli ambassador to Moscow, Golda (Myerson) Meir, equating her presence with an official endorsement of Zionism.[16] Instead, the Soviet regime launched a media campaign against "cosmopolitanism" and began a purge of Jewish cultural institutions. On January 13, 1953, *Pravda* announced the indictment of nine prominent Soviet physicians, six of them Jews, who had allegedly conspired with the "Jewish bourgeois organization Joint [Distribution Committee] to murder leading Soviet communists and military officers." Soviet press attacks on Israel became more strident, and the explosion of a bomb near the Soviet embassy in Israel became a pretext for the break in diplomatic relations.[17]

[10]While Peres was prime minster of the National Unity government, he submitted a five-point peace proposal in June 1985 that envisioned a Soviet role in a Middle East peace conference. Subsequently, he has spoken in favor of Soviet participation in a peace conference but in the context of a resumption of diplomatic relations. However, Yitzhak Shamir who became prime minister in October 1986, has stated categorically that such a conference "would not be good for Israel. It would leave us isolated, confronting the whole world. The only way to achieve peace is by direct negotiations without prior conditions." See *The New York Times*, June 11, 1985, and *The Jerusalem Post*, International Edition, Jan. 1, 1987.

[11]*The New York Times*, July 22, 1985.

[12]For example, Soviet political affairs commentator Dmitriy Vol'skiy reminded Israel a week before the Helsinki meeting of the relevance of "international guarantees by the permanent members of the UN Security Council" for its own security and of the "futility of a separate deals policy." *New Times* (Moscow), No. 31, Aug. 11, 1986.

[13]*The New York Times*, Apr. 21, 1953.

[14]Yaacov Ro'i, *Soviet Decision Making in Practice: The USSR and Israel 1941–1954*, New Brunswick, NJ, Transaction Books, 1980, p. 151.

[15]Arnold Krammer cites a number of reasons that "helped to foster the hope in Moscow that Israel might eventually join the orbit of satellite nations." See Krammer, *The Forgotten Friendship: Israel & the Soviet Bloc, 1947–1953*, Urbana, IL, University of Illinois Press, 1974, p. 45.

[16]Soon after Meir's arrival, Ilya Ehrenburg warned Soviet Jews that diplomatic recognition of Israel was not equivalent to the endorsement of Zionism. Ehrenburg, writing in *Pravda*, said: "Socialist citizens are never attracted by the fate of people subjected to the burden of capitalist exploitation . . . . Soviet people are not looking to the Near East; they are looking to the future." *Pravda* (Moscow), Sept. 21, 1948. See, also, Golda Meir, *My Life*, New York, G. P. Putnam, 1975, pp. 253 and passim.

[17]The reasons for as well as the victims and beneficiaries of the "doctors' plot" have never been fully elucidated. The late Franz Borkenau considered the doctors' plot to have been an assertion of power by "traditionally antisemitic" Russian officers of the Red Army over the secret police. Borkenau contrasts the heavily Russian composition of the army with the presence of many Jews and other non-Russians in the secret police. The latter was resented by "large sections of Soviet citizenry as power wielded by 'outsiders' over true Russians." See Borkenau, "Was Malenkov

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Israel responded by organizing through the Jewish Agency a world conference in Zurich on Soviet anti-Semitism. This showed that Israel was neither indifferent nor inactive concerning Jewish interests in the Soviet Union. But on Stalin's illness and death in March 1953, the Zürich conference was canceled.[18] (A conference on the same topic was finally held nearly 20 years later in Brussels.) Soviet-Israeli relations were reestablished in September 1953 by Stalin's successors.

Although Zionism was not often attacked in the Soviet press before the second rupture of relations in 1967, after Nikita Khrushchev's denunciation of Stalin in 1956, a political leader's negative attitude toward Zionism tended to indicate at least passive opposition to de-Stalinization. By the same token, favoring good relations with Israel, recognizing the Jewish component in Soviet culture, and opposing anti-Semitism tended to indicate support for more "liberal" domestic policies in general.

Perhaps the best-known episode of such interaction followed the publication in 1963 of the anti-Semitic tract, *Judaism Without Embellishment.*[19] Although the book had the prestigious imprint of the Ukrainian Academy of Sciences, after vigorous foreign protests it was withdrawn from circulation and condemned in the Soviet Union for its "mistaken statements and illustrations which could offend believers and be interpreted in the spirit of anti-Semitism, furnishing grist for the anti-Soviet insinuations of our ideological opponents."[20] A review in the Ukrainian periodical *Radyans'ka Kul'tura* objected that the author "projected his criticism of Zionism as a bourgeois nationalist movement on the internal affairs of the state of Israel [which had] democratic progressive institutions of workers who support peace, peaceful coexistence, and democratic freedoms, and [who] are against colonialism and imperialism."[21] As Soviet relations with both Israel and the United States improved, Kichko's book became an embarrassment. Early in 1964, Moscow sought to demonstrate its goodwill by selling to Israel some property there of the Russian Orthodox Church.[22] (In 1986, the need to regulate the status of remaining Soviet properties in Israel was cited as one reason for renewing contacts.)

But even after Khrushchev's ouster in October 1964, de-Stalinization and anti-Semitism remained live issues for the Soviet political elite. The Soviet émigré writer Grigory Svirsky has reported on a closed meeting of the Writers' Union addressed by Pyotr Demichev, which was convened after a denunciation of anti-Semitism had appeared in *Pravda* on September 5, 1965. Demichev, then a CPSU Central Committee secretary, expressed the opinion that the party had "broken off the struggle against anti-Semitism too early" and that "the penalty for anti-Semitism should be expulsion from the party."[23]

But if *Judaism Without Embellishment* boomeranged against those who wished to legitimize anti-Semitism in 1963, the threat of expulsion from the party in 1965 was also counterproductive. By the time the 23rd CPSU Congress convened in February 1966, it became obvious that the "struggle" against anti-Semitism was over and the process of de-Stalinization was being halted. The changed mood was epitomized in the speech of the first secretary of the Moscow city party committee, Nikolay Yegorychev, who later was

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Behind the Anti-Semitic Plot?" *Commentary* (New York), May 1953, p. 441.

Political beneficiaries of the purge subsequent to the "doctors' plot" apparently included Leningrad Party Secretary Frol' Kozlov, Mikhail Suslov, who was elected to the "expanded" Party Presidium (as the Politburo was then known) at the 19th CPSU Congress in October 1952, and Boris Ponomarëv. Suslov's responsibility for ideology and propaganda as Central Committee secretary suggests involvement in the "doctors' plot." See Christian Schmidt-Häuer, *Gorbachev: The Path to Power*, London, I. B. Tauris, 1986, pp. 45,76. A lead article by Kozlov on "Vigilance" in the January 1953 issue of *Kommunist* implicates him. Ponomarëv, still a minor figure in 1953 when he was just a candidate member of the Central Committee, is likely to have had some responsibility in view of his work as director of the *Sovinformburo*. After 1955, Ponomarëv worked in the International Department of the Central Committee and became a CC secretary in 1961. Like Suslov, Ponomarëv championed the condemnation of Yugoslav "revisionism" in particular and of ideological deviation from orthodox Marxism-Leninism in general. See Mikhail Agursky, "The Knots Behind Soviet-Israeli Ties," *Jerusalem Post Magazine*, Aug. 2, 1985, p. 4. According to Agursky, Suslov and Ponomarëv opposed Soviet support for Israel in in the war of independence and the establishment of diplomatic relations. Ponomarëv is believed to have been also responsible for the 1948 disbanding of the Jewish Antifascist Committee, which had worked for world Jewish support of the Soviet Union during World War II. He and Suslov mediated the 1965 split in the Israeli Communist Party in favor of the faction with pro-Palestinian goals. Both also had dealt peremptorily with foreign communists inquiring about charges that the Soviet leadership was anti-Semitic. Ponomarëv's role in the disbanding of the Jewish Antifascist Committee is mentioned in Shimon Redlich, *Propaganda and Nationalism in Wartime Russia: The Jewish Antifascist Committee in the USSR, 1941–1948*, Boulder CO, East European Monograph Series, 1982, p.167–68. Ponomarëv's and Suslov's mediation of the Israeli Communist Party split is treated in Meir Edelstein, "The 1965 Split in the MAKI and the CPSU," *Soviet Jewish Affairs* (London), 1974, p. 22–36. See also F. F. "The USSR, the Soviet Jews and Israel," *The World Today* (London), No. 14, December 1958, p. 523.

[18]*The New York Times*, Mar. 19, 1953.

[19]T. K. Kichko, *Yudaism Bez Prykras*, Kiev, AN UkSSR, 1963. It has been suggested that *Judaism Without Embellishment* was intended to be a "diversion" of Moscow's campaign against Ukrainian "bourgeois nationalism." See Grey Hodnett and Peter J. Potichnyj, *The Ukraine and the Czechoslovak Crisis*, Occasional Paper No. 6, Canberra, Department of Political Science, Research School of Social Sciences, Australian National University, p. 17.

[20]*Pravda*, Apr. 4, 1964.

[21]*Radyans'ka Kul'tura* (Kiev), Mar. 26, 1964, cited in *Yevrei i Yevreyskiy Narod* (London), Vol. 5, No. 1, 1964, p. 16.

[22]*The Jerusalem Post*, Jan. 24, 1964.

[23]Grigory Svirsky, *Hostages: The Personal Testimony of a Soviet Jew*, New York, Knopf, 1976, p. 207.

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identified with support for Arab militance against Israel. Yegorychev said:

It has become fashionable of late, for example, to look for elements of so-called "Stalinism" in the country's political life in order to use them as a scarecrow with which to frighten public opinion, especially the intelligentsia. We say to them: It won't work, gentlemen! . . .

The personality cult, the violation of the Leninist norms and principles of Party life and of socialist legality—all that hampered our advance has been decisively discarded by our Party . . . .

At the same time, the Party also resolutely rejects all attempts to cross out the heroic history of our people, who for almost half a century have traversed a difficult but glorious path of struggle and victories under the leadership of the C.P.S.U.[24]

He warned against a "tolerant attitude toward alien views and moods." His call for "revolutionary vigilance" and warning against alien influences was echoed by other speakers.

Moscow embarked on a more repressive policy with regard to domestic dissent after the 23rd CPSU Congress. A preview of things to come was the Sinyavsky-Daniel trial which occurred immediately before the congress. Andrey Sinyavsky, who had adopted the pen name Abram Tertz, was accused of "trying to create the impression that anti-Semitism exists in our country [the USSR], that presumably an author with the name of Abram Tertz must look for publishers in the West if he wishes to write 'candidly' about Soviet life."[25] By mid-1966, Israeli tourists and diplomats were being expelled or harassed for distributing "Zionist literature," and the Soviet press was condemning Israel for provoking protests on behalf of Soviet Jews.

The change in the domestic climate was accompanied by policy changes toward the Middle East. Moscow welcomed the Syrian leftist Ba'ath government that came to power in a February 1966 military coup d'état. A joint communiqué affirmed "solidarity with the Palestininan Arabs and support for their legitimate rights in the struggle against Zionism, which is used by the imperialist forces to exacerbate tension in the Near and Middle East."[26] When the Arab-Israeli war broke out in June 1967, the Soviet Union immediately broke off relations, and all of the Soviet Union's East European allies except Romania followed suit.[27]

Gauging the US Factor

Soviet leaders have sought US cooperation for a joint approach to the Middle East since the mid-1950's. The first superpower discussions on Middle East security occurred in October 1955 at a Geneva meeting between US Secretary of State John Foster Dulles and USSR Foreign Minister Vyacheslav Molotov. Dulles raised the question of the recently concluded "Czechoslovak" arms agreement with Egypt and its impact on Soviet-American and Arab-Israeli relations. Molotov asked what was "expected" from the Soviet government by the United States, and whether Dulles perhaps intended an "exchange of information" concerning arms sales to third parties. Dulles reported a "widespread feeling" in the United States that the Soviet actions had placed Israel in jeopardy. He told Molotov: "If the program of the Soviet bloc for arms deliveries to the area were eliminated, and this could be said publicly, it would be easier to exercise restraint on Israel and on United States public opinion."[28] Thus, the connection between Soviet Middle East policy and Soviet-American relations was made explicit.

Molotov appeared interested but noncommital at the meeting with Dulles and, apparently, at a subsequent meeting with Israeli Prime Minister Moshe Sharett. It is possible that Molotov had opposed the arms sales to Egypt. However, Nikita Khrushchev, and then Leonid Brezhnev, saw the Soviet involvement with Arab client states as a way to have the Soviet Union be, at a minimum, a co-guarantor of any general Middle East peace settlement.

[24] *Current Soviet Policies, The Documentary Record of the 23rd Congress of the Communist Party of the Soviet Union*, Vol. 5, Columbus, OH, AAASS, 1973, pp. 44–45.

[25] *Izvestiya*, Jan. 13, 1966.

[26] Ibid., Apr. 26, 1966.

[27] N. G. Yegorychev was involved in talks with Ali Sabri, vice-president of Egypt, in April 1967. Yegorychev was removed abruptly at the June 1967 CC plenum after criticizing Soviet policy for its failure to support the Arabs vigorously. CC Secretary Aleksandr Shelepin was also involved in talks with the Egyptians before that war, as was his protégé and successor as head of the KGB, Vladimir Semichastnyy. All three men were certainly responsible for new-found Soviet interest in the left-wing Ba'athist regime in Syria and its concern about Zionist intrigue. See Michel Tatu, *Power in the Kremlin*, New York, Viking, 1968, pp. 503–04, 533–38. It is probable that Vladimir Semichastny and Aleksandr Shelepin supported a harder domestic policy line before the 1967 war. Both men had long experience in the Komsomol, whose leadership took part in the anti-Zionist campaigns of the 1970's. Semichastny was ousted from the KGB in May 1967, and Shelepin was demoted from the Secretariat in July. The June war represented a major Soviet intelligence failure. According to a "mid-level official" in the CPSU, the Soviet estimates on the war foresaw a "situation in which the US would suffer serious political reverses as a result of siding against the Arabs" in what was envisioned to be a "long war." CIA Telegram (n.d.) Document No. 490. "CIA Research Reports: The Soviet Union, 1946–1976", reel No. 3, *Declassified Documents Series*, Arlington, VA, Carrollton Press, 1978.

[28] "Memorandum of conversation of October 30, 1955," *Declassified Documents Series*, Document 313, Woodbridge, CT, Research Publications, 1982.

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An Israeli column advances on a Syrian position during the June 1967 Arab-Israeli war.

—Pictorial Parade.

Before the 1956 Suez crisis, Soviet leaders feared that a Western intervention in the Middle East would lead to a permanent Western military presence there, and their policies were aimed at preventing this. In April 1956, the Soviet Foreign Ministry issued a statement that called on the states of the region and on the permanent members of the UN Security Council to do nothing to upset the "lines of demarcation" between the Arab states and Israel, and recommended that to preserve peace in the area "measures should be taken to this end without any outside interference." The statement attributed the "exacerbated relations" between Israel and the Arab states to attempts to "weld military alliances" in the region. The statement also called for a "settlement of the Palestinian question on a mutually acceptable basis, taking into consideration the just national interests of the concerned parties."[29] Khrushchev reportedly proposed agreement by means of a four-power declaration on arms deliveries to the area in subsequent talks with the British.[30]

However, even if the Soviets were genuinely willing to sacrifice their newly won influence in Egypt and Syria by suspending arms deliveries to them, Great Britain and the United States were disinclined to reciprocate by undermining the pro-Western Baghdad Pact.[31] The reaction of President Gamal Abdel Nasser

[29]*Documents on International Affairs, 1956,* London, Royal Institute of International Affairs, 1959, pp. 59–61.

[30]During his trip to Great Britain, Khrushchev explained that, "if it were possible to agree through the United Nations or otherwise that this [sale of arms] would not take place, we would welcome this and would be prepared to take part in such an undertaking." *The Jerusalem Post,* Apr. 29, 1956.

[31]The Baghdad Pact treaty was signed on February 24, 1955, by Iraq and Turkey. Later in 1955, the Pact was joined by the United Kingdom, Pakistan, and Iran. There is no available record of Anglo-American discussions about the Soviet proposal, yet there is little doubt that an arms embargo would have represented a serious political blow to the position of Premier Nuri al-Said and his efforts on behalf of the Baghdad Pact. A former American ambassador to the Iraqi monarchy notes Nuri's efforts to win American adherence to the pact. Waldemar J. Gellman, *Iraq under General Nuri: My Recollections of Nuri al-Said, 1954–1958,* Baltimore, Johns Hopkins Press, 1964, p. 68.

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of Egypt was to move toward establishing relations with the People's Republic of China to assure Egypt of an alternate source of weapons, should the great powers impose an arms embargo.[32] Only Israel welcomed certain "constructive" features in the Soviet proposal.

Over the next several years, Soviet statements on the Middle East alternated between condemnations of Israel as an "aggressor" and "tool of imperialism" after the 1956 Suez and subsequent crises, and calls on all parties to respect each others "territorial integrity" in a peaceful settlement.[33] The decline of the Baghdad Pact, following the Iraqi withdrawal in 1959, lessened somewhat Soviet fears of a permanent Western military presence. The ascendance of Nasser's influence in the Arab world and his opposition to Western policies also undermined the attractiveness in Soviet eyes of a joint great power approach to Middle East security, although talks on this subject were held sporadically with US officials until mid-1970.

The loss of Soviet influence in Egypt, which began with the expulsion of Soviet military advisers in mid-1972, revived Soviet interest in a multilateral peace process. An opportunity to take part in that process came as a result of the October 1973 Arab-Israeli war. The Soviet Union, which supported the Arab oil embargo and urged unity on the Arab "camp," was also supporting a peace conference. This peace conference, which the United States and the Soviet Union co-sponsored, was convened on December 22, 1973. At a meeting with Foreign Minister Abba Eban, Andrey Gromyko reportedly offered Soviet help in obtaining a list of Israeli prisoners-of-war in Syria and discussed the resumption of diplomatic relations as the peace process progressed.[34] However, the conference was unproductive because Syria boycotted it and, more to the point, because the disengagement agreements between Israel on the one hand and Egypt and Syria on the other were being negotiated bilaterally through the mediation of Secretary of State Henry Kissinger's "shuttle" diplomacy.[35] Nevertheless, the 1973 Geneva conference can be said to have established a precedent and paradigm for a multilateral settlement.

The best-known and perhaps most promising Soviet peace proposal on the Middle East came on October 1, 1977, and was embodied in a joint communiqué issued by Secretary of State Cyrus Vance and Foreign Minister Gromyko. The communiqué called for a "comprehensive settlement of the Middle East problem" which would provide "normal peaceful relations on the basis of the principles of sovereignty, territorial integrity, and political independence." The two superpowers would participate in the settlement and offer "international guarantees" of the borders as co-chairmen of the Geneva peace conference. The communiqué appealed to the parties in conflict to undertake "a careful reconsideration of each other's legitimate rights and interests."[36]

However, neither Israel nor Egypt was prepared to accept such forceful superpower involvement. Mention of the "legitimate rights of the Palestinian people" in the communiqué represented an unacceptable condition for Israel at the time. The new Likud government of Menachem Begin was successful in getting the United States to add qualifications to a "working paper" on the proposed Geneva conference that stipulated the following: (1) Israel would not be compelled to meet with PLO representatives; (2) the agenda would avoid mention of a "Palestinian entity"; (3) the conference would "discuss" rather than "negotiate" the status of the West Bank and Gaza.[37] Egyptian President Anwar Al-Sadat, for his part, preferred to take the bold initiative of approaching Israel directly.

In addition to Egyptian and Israeli opposition to an international peace conference, there was the problem of Soviet relations with Israel. The 1977 communiqué came at a time when the Soviet line on Israel was quite harsh. Less than a month before the Vance-Gromyko meeting, a Soviet literary journal reviewed a recent book whose "main value," according to the review, was to offer a "convincing analysis of Zionism as reactionary, mercenary, anti-humane, and anti-Semitic in essence." The obvious purpose of the review, which also alleged wartime ties between Nazis and Zionists, was to confirm publicized reports by Soviet Jews who had emigrated to Israel that in Israel there was "nothing in the way of ideology or morality for people raised in a spirit of internationalism in the USSR."[38] The Begin

[32]Gail E. Meyer, *Egypt and the United States: The Formative Years*, Rutherford, NJ, Fairleigh Dickenson University Press, 1980, p. 139.

[33]References to Israel's responsibility for Middle East tension are common in this period. The appeal for a "joint declaration . . . on the question of peace and security in the Near and Middle East" may be found in "Soviet Note to the United States," Apr. 19, 1957 in *Documents on International Affairs*, 1957, p. 73. The Soviet note of Jan. 10, 1958, sent to all member of the United Nations, included an annex for Israel, proposing peace in the Middle East based on "mutual maintenance of sovereignty and territorial integrity." *The Jerusalem Post*, Jan. 24, 1958.

[34]*The Jerusalem Post*, Dec. 23, 1973.

[35]For a discussion of the 1973 war and the peace conference, see Robert O. Freedman, *Soviet Policy Toward the Middle East Since 1970*, New York, Praeger, 1982, pp. 99–145, 151–71.

[36]*The New York Times*, Oct. 2, 1977.

[37]Ibid., Oct. 14, 1977.

[38]*Literaturnoye Obozreniye* (Moscow), September 1977, pp. 36–38, trans. in *Current Digest of the Soviet Press* (Columbus, OH), Nov. 9, 1977, pp. 23, 27.

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government was described as "fascist," and the behavior of Israeli forces in southern Lebanon was depicted as so brutal that no socialist state could conduct relations with such a regime.

Such harsh statements may be viewed against a background of changes in leading Soviet personnel. The removal of Ukrainian party leader Petro Shelest from the Politburo in 1973, for example, allowed General Secretary Brezhnev to step up a repressive nationality policy, remove an opponent of détente, and, most important, balance the interests of key Soviet foreign policy institutions. By elevating Defense Minister Andrey Grechko, KGB chief Yuriy Andropov, and Foreign Minister Andrey Gromyko to the Politburo at the time of Shelest's removal, Brezhnev secured support for his "peace policy" with the United States.[39] At the same time, when the Soviet government consented to massive Jewish emigration as part of détente policy, it also launched a campaign to identify Soviet "patriotism" with anti-Zionism–presumably to placate those in the leadership who opposed the emigration policy as well as to intimidate non-Jewish dissent.

Judging from articles in its newspaper at the time, the Soviet military appears to have disapproved of the decision to allow Jewish emigration. During the "war of attrition," or the "Canal War," in early 1970, confrontations between Israeli and Soviet-piloted fighter planes were common. An article in *Krasnaya Zvezda* reported a 30 percent increase in the level of production of the Israeli aircraft industry, adding that "among these [10,000 aerospace workers] are a considerable number of specialists and skilled workers who recently emigrated to Israel."[40] A subsequent article in the same newspaper reported that a press conference in the Jewish Autonomous Oblast was held to refute the "slander campaign" against the USSR waged by international Zionism and to express "ardent approval" of Soviet policy.[41] However, it should be noted that—at the time—the decision to permit the emigration of Soviet Jews was, strictly speaking, a component in Soviet-American rather than Soviet-Israeli relations. Thus, paradoxically, opening on emigration in the mid-1970's was balanced by a harsher position on Arab-Israeli issues, partly for reasons of Soviet domestic politics and partly to counter the "unilateral" US approach to Arab-Israeli diplomacy.

An Opening to Israel?

Today, opposition to resuming relations with Israel and to allowing increased Jewish emigration may, once again, be related to opposition to reform. Indeed, Soviet contacts with Israel in 1985–86 were made against a background of wide-ranging reform proposals by the new Soviet General Secretary, most of which were encountering opposition from the Soviet apparat. But anti-Zionism has become a much less salient symbol for broader political issues than it was in the past. Between the death of Mikhail Suslov in January 1982 and the retirement in July 1985 of Marshal Aleksandr Yepishev, head of the Main Political Administration of the Soviet Armed Forces, most individuals associated with the old anti-Zionist policy no longer hold office. In fact, Pyotr Demichev, who had condemned anti-Semitism in 1965, is today Minister of Culture and candidate member of the Politburo. In his speech at the 27th CPSU Congress, he denounced "parochialism" and the "negative consequences of ideologically immature and artistically inferior works."[42]

The International Department of the CPSU Central Committee is headed no longer by Boris Ponomarev but by the former ambassador to the United States, Anatoliy Dobrynin. During the 1985 meeting between Soviet ambassador Vorontsov and the Israeli ambassador in Paris, Vorontsov reportedly said that Dobrynin, about to become a CPSU secretary, would enjoy "decisive influence in shaping foreign policy" under Gorbachev.[43] The apparent intent was to encourage the Israeli ambassador to expect that Dobrynin's interest in improved relations with the United States would bring a new policy toward Israel. Although Vorontsov may have overstated Dobrynin's influence and intentions, Dobrynin's appointment together with Andrey Gromyko's replacement as Foreign Minister by Eduard Shevardnadze may bring new policy directions. Neither Dobrynin nor Shevardnadze were involved in past anti-Zionist campaigns, nor have they personal political reasons to oppose a new approach to Israel.

Gorbachev's approach so far has been both coordinated and flexible, features that do not assure a restoration of relations but that do promise consistency with other policy initiatives. Although references to Israel's aggressive policies continue, mentions of "Zionism" or anti-Soviet provocation in connection with Israel have virtually disappeared from the central press since Gorbachev became general secretary. Instead, rumors have been circulating since Gorbachev's accession

[39]Grey Hodnett, "Succession Contingencies in the Soviet Union," *Problems of Communism* (Washington, DC) May-June 1976, p. 12.
[40]*Krasnaya Zvezda* (Moscow) Jan. 16, 1970.
[41]Ibid., Feb. 28, 1970.
[42]*Pravda*, Mar. 2, 1986.
[43]*Ma'ariv* (Tel Aviv), Aug. 6, 1986, trans. in *FBIS-NEA*, Aug. 7, 1986, pp. I/2–3.

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Anatoliy Shcharanskiy arrives at Israel's Ben Gurion Airport on November 2, 1986.

—GAMMA.

that large numbers of Soviet Jews would be allowed to emigrate. But unlike Brezhnev, for whom Jewish emigration was a factor in Soviet-American relations, Gorbachev seems to link emigration problems and relations with Israel to overall policy in the Middle East. During a 1985 press conference in Paris, Gorbachev said that the issue of relations would be "settled as soon as it was possible to normalize" conditions in the Middle East. "For us there will be no objections; there will be no obstacles. We realize that Israel has the right to exist, to its sovereignty, and we understand its security concerns."[44]

This businesslike reference to Israel was followed by a December meeting between the Washington director of the Simon Wiesenthal center and a Soviet diplomat. The latter was reported to be "thinking" that relations with Israel would be restored before the 27th party congress in February 1986, whereupon a level of Jewish emigration similar to that in the 1970's would be permitted.[45] While a restoration of relations obviously did not take place, a few prominent dissidents—including Yuriy Orlov and Anatoliy Shcharansky—were allowed to emigrate as a climate of promising possibilities for Soviet-American relations developed in the context of summit meetings between President Ronald Reagan and General Secretary Gorbachev.

Israel had cautiously asked the Soviets for more concrete commitments. At an October 1985 meeting with Shevardnadze at the United Nations, Prime Minister Peres told him that Israel would agree to a conference on the Middle East including the Soviets if the Soviet Union would restore relations with Israel.[46]

The uncertainty surrounding Soviet intentions on Jewish emigration has evoked a certain amount of skepticism. Allan Kagedan has written that Gorbachev was unwilling or unable to give more than "rhetorical" attention to the emigration question.[47] Soviet intentions appear ambiguous, as manifested by a new decree on emigration which contains more rigorous criteria of what constitutes "family reunification."[48] The Israeli government apparently had earlier sought to meet Soviet objections to the number of émigrés who "drop out" before reaching Israel by proposing direct flights between the two countries.[49]

Despite the collapse of the Helsinki talks, an Israeli spokesman acknowledged that discussion on immigration took place in mid-January 1987 in Washington between Soviet Ambassador Yuriy Dubinin and Israeli Ambassaor Meir Rosenne.[50] In February 1987, the chairman of the Soviet Anti-Zionist Committee, Samuel Zivs, let it be known that as many as 10,000 Jews had applied to emigrate and would be eligible despite the new, more restrictive, emigration law.[51] The attention given Jewish emigration at the Reykjavik summit may mean, however, that no Israeli action can satisfy Soviet demands without a change in relations between Washington and Moscow.[52]

But even if Soviet responsiveness to the concerns about Soviet Jews were genuine, it would not in itself be a satisfactory inducement for Israel to normalize relations. This is in fact the main dilemma of Soviet policy. Israeli leaders can claim that without restoring relations, the Soviet Union would not be a proper partner in the Middle East peace process; yet to restore relations without Israeli concessions on the occupied territories would amount to a breach of Soviet commitments to Syria and others. Even a shift in the Soviet position to support of West Bank Palestinian autonomy would kindle Arab suspicion that the Soviet Union had abandoned its commitment to a "comprehensive" settlement that involves the return of the Golan Heights and the setting up of a Palestinian state. While Jordan and Egypt would probably welcome a resumption of Soviet-Israeli relations, as well as a

[44] *The New York Times*, Oct. 5, 1985.

[45] Ibid., Dec. 26, 1985.

[46] Ibid.

[47] Allan Kagedan, "Gorbachev and the Jews," *Commentary*, May 1986, p. 49.

[48] *The New York Times*, Nov. 8, 1986.

[49] Ibid., Nov. 11, 1985.

[50] *The Washington Post*, Jan. 31, 1987.

[51] *The Jerusalem Post*, International Edition, Feb. 7, 1987. This number approximates the estimated number of Jewish refuseniks.

[52] Ibid., Nov. 1 and 15, 1986.

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compromise settlement, Syria and the Palestinian Liberation Organization would feel threatened.

Israel and the United States have also remained ambiguous about the format of a Middle East peace conference. Former Prime Minister Peres and Jordan's King Hussein have reportedly agreed to a conference in which the Jordanian delegation would also comprise Palestinians "acceptable" to Israel.[53] Peres's five-point peace plan announced in June 1985 envisioned a role for the Soviet Union, presumably after it recognized Israel, as well as a role for "authentic Palestinian representatives" at the conference, whose outcome would be independent of Soviet "guarantees."[54] Yet the failure of Jordanian-PLO cooperation deprives Moscow of one partner in such a conference who would be dependent on the USSR.

At their meeting in Alexandria in September 1986, President Hosni Mubarak and Prime Minister Peres agreed to create a "preparatory committee" for a Middle East peace conference that would also include Jordan and the two superpowers.[55] Yet the Reagan administration expressed "strong reservations" about a Soviet role and, after his rotation to the post of Prime Minister in October 1986, Yitzhak Shamir has publicly and frequently expressed his opposition to an international conference.

At the Helsinki meeting, the deadlock between the Soviet and Israeli positions became apparent. But the Helsinki meeting did serve to place the Arab states and the United States on notice that a change in Soviet policy toward Israel was no longer impossible. Under Gorbachev, the future of Soviet policy toward Israel appears tied to Soviet policy toward the Middle East as a whole. This in itself is a change because Soviet policy has traditionally emphasized bilateral relations with individual states in the several subregions of the Middle East at the expense of an overall approach to the area.[56] Soviet policy has not so much manipulated the Arab-Israeli conflict as it has secured a client in each of the area's subregions.

Even though this bilateral approach tends to be precarious by definition—as Soviet-Egyptian relations have shown—Soviet insecurity led it to enter into several such bilateral treaty commitments which, while compatible with a client relationship, were incompatible with the region's diplomatic fluidity. Thus, unless the Soviet leadership can reconcile its obligations to individual clients with multilateral diplomacy and commitments to regional goals, its Middle East policy will be hostage to the goals and behavior of its individual clients.

Soviet-Israeli unofficial negotiations have become sufficiently routine so that a resumption of relations appears no longer implausible. Yet the experience of the negotiations suggests that restoring of relations cannot be contingent solely on assurances that Moscow will gain its desired place at a peace conference, or that Israel will win on its own satisfactory concessions on emigration.

At present, lack of diplomatic progress on bilateral Soviet-Israeli relations is masked by an expansion of contacts between Israel and East European states. An Israeli Interest Section has opened in Warsaw; a trade agreement was signed with Hungary; and Mrs. Shamir was warmly welcomed in Bulgaria.[57] Only East Germany and Czechoslovakia remain aloof. The official Czechoslovak newspaper denounced "anti-Soviet and anti-Arab speculation" regarding a resumption of Soviet-Israeli relations and affirmed that "nothing" had changed since 1967 in Israel's policy. This meant, the newspaper contended, "there is no reason for the Soviet Union to reexamine its decision" to break relations with Israel.[58] Should Moscow and Tel Aviv restore relations, the East Europeans are likely to be no less important for Soviet policy than they were between 1953 and 1967, when selective emigration from one or another East European state continued during this period and indirectly placed limits on Israel's willingness to denounce Soviet policy.[59]

The state of Soviet-American global rivalry is likely to be the predominant factor affecting the tenor of Soviet policy toward Israel, as it was before 1967. Nevertheless, in Soviet perceptions, Israel no longer is simply an American "cat's paw." Moscow will be alert to divergences of American-Israeli interest where there is possible benefit. Having said this about Soviet calculations, one must note at the same time that Moscow cannot prevent disruptions of its policies from within the Middle East itself.

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[53]*The New York Times*, Nov. 11, 1985.

[54]Ibid., June 11, 1985.

[55]*The Jerusalem Post*, International Edition, Sept. 20, 1986.

[56]Yair Evron, *The Middle East: Nations, Superpowers, and Wars*, New York, Praeger, 1973, p. 193.

[57]See *The Jerusalem Post*, International Edition, Sept. 26 and Oct. 4, 1986.

[58]*Rudé Právo* (Prague), Aug. 9, 1986, trans. in Foreign Broadcast Information Service, *Daily Report: Eastern Europe* (Washington, DC), Aug. 13, 1986, p. D/2.

[59]See Zachary Irwin, "Soviet Policy Toward Israel, 1953–1967," Ph.D. dissertation, Ann Arbor, MI, University Microfilms, 1979, pp. 317–27.

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Notes

Life, Work, and Politics in Soviet Cities

—First Findings of the Soviet Interview Project

James R. Millar and Peter Donhowe

A SURVEY of recent Soviet emigrants suggests that the social atomization bred by the terror of the Stalinist years has been withering away in the Soviet Union—particularly among the young, who did not experience the Stalinist period directly. Having grown up in a society where midnight arrests and executions are no longer routinely practiced by those charged with enforcing political loyalty, the younger members of Soviet society do not share the lingering inclination of their parents to be extremely wary of everything they say to neighbors and co-workers. Nor do they fear to the point of political paralysis the KGB and other agencies of Soviet control. Instead, the generation raised since the end of World War II reveals a greater willingness to trust others and to take calculated, albeit limited, risks to display their dissatisfaction with some aspects of the Soviet system.

Nonetheless, the evidence produced by the survey suggests that citizens of the Soviet Union are, by and large, satisfied with many aspects of their lives. For the most part, they like their jobs, their housing, and the quality of their medical care—with blue-collar workers, the less well-educated, and older citizens appearing to be the most satisfied and generally supportive of the Soviet economic and political system. But, in a development that signals a major shift in the dynamics of Soviet society, it is the "best and the brightest" among the Soviet citizenry—those with the best jobs and the most education, as well as those with the highest incomes—who are the least satisfied and the most critical of both the material and the political aspects of Soviet life.

These insights, based on in-depth interviews with nearly 2,800 former Soviet citizens, are among the initial findings of the Soviet Interview Project (SIP), a major new study of everyday urban life, work, and politics in the USSR by a multidisciplinary team of university scholars (for background on SIP, see the box on pp. 88-89). Some initial analyses of the responses—in the form of 20 working papers—have been presented to a group of Soviet specialists from government and academe in conferences at Airlie House, Virginia, in October 1985, and in Washington, DC, in October 1986.[1] These papers and the discussion that they engendered have served as the basis for this overview.

Although the emigrant population was not a cross-section of Soviet society as a whole, it was nonetheless diverse, and those interviewed were selected from a sample that was stratified to approximate the characteristics of the adult European population residing in large and medium-sized cities of the USSR at the end of the 1970's. In addition, as we shall explain below, a variety of quantitative tests were applied to the data to

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[1]In 1987, the Cambridge University Press will publish a book containing the 10 papers presented at the Airlie House conference. The volume, tentatively titled *Politics, Work, and Daily Life in the USSR. A Survey of Former Soviet Citizens*, will also contain essays describing the sample, referent population, and other technical issues connected with the survey.

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determine their statistical reliability. Therefore, although the answers SIP received should not be extrapolated to all of Soviet society, they are useful in the light of what is known by other means about the USSR, and they do offer in many realms statistically reliable conclusions and offer new insights into a major segment of Soviet society.

Many of SIP's initial findings will not be surprising to those who have studied the Soviet society for years,[2] but the SIP studies do help us to confirm the results of different lines of research and to discriminate among competing hypotheses in the field. Moreover, some of the findings are, in fact, without precedent in Soviet studies. Among other things, SIP found that:

- Those who abandoned the Soviet Union did so for a variety of reasons—more often for family than for strictly political reasons.
- Most of those who left were generally able to recall satisfaction with certain aspects of their lives, though they were highly dissatisfied with queues and the chronic shortages of meat, fresh vegetables, and quality merchandise.
- The Marxist ideological goal of a classless society notwithstanding, blue-collar workers are viewed as having relatively low status, while highly paid, well-educated professionals are held in high esteem.
- The Soviet labor market functions much like those in the United States and other mixed economies: It rewards human capital and provides positive returns to experience, but tends to reward men better than women.
- Women are more likely than Soviet men to report having been satisfied with their jobs and their lives, even though they believe (as do men) that men "have it better" in the USSR.
- Contrary to the assertions of Soviet social scientists, the inequality of wages and the unequal distribution of wealth remains pronounced. Though the number of households living in poverty has declined, it remains extensive, and a "feminization of poverty" appears to be taking place.
- Abortions were common among the surveyed women—69 percent reported at least one abortion, and nearly 70 percent of those born between 1926 and 1945 reported two or more abortions.
- Efforts to avoid military service have become increasingly common over the past 30 years. About 20 percent of the male respondents reported having attempted to gain deferment.
- High-level professionals are often readers of *samizdat* and frequent listeners to foreign radio broadcasts.
- A majority saw the KGB as competent, but not particularly honest. About 60 percent of all respondents thought "most or almost all" KGB leaders competent. A somewhat larger percentage said that "most or almost all" KGB leaders were dishonest.
- The young are much more likely to believe that the Soviet Union is more powerful than the United States and to favor a globally activist foreign policy, such as giving military aid to North Vietnam. Only 16 percent believe the US would win if there were a war between the two countries, whereas 39 percent of those born before the First World War hold that view.
- Low productivity in the workplace is common, but workers blame the lack of incentives and the failure to reward efficiency rather than the factors commonly cited by Western scholars—alcoholism, Soviet central planning, or bad management.

On the Sample

For both what is surprising and what is not, the reliability of our data is of critical importance. It does not require expertise in survey research methodology to realize that the SIP sample differs from a random sample drawn from the general population of the USSR, if only because the respondents opted to face the trauma of emigration and resettlement. More important, the interviewees were more educated, more urban, and pronouncedly more Jewish than a typical cross-section of Soviet society.

The three-hour face-to-face interviews were conducted with 2,793 respondents from a stratified sample of some 3,500 emigrants from the Soviet Union. The sample was stratified by ethnic origin, educational attainment, size of city, and region of former residence. Its members were between the ages of 21 and 70 at the time of their arrival—between January 1, 1979, and April 30, 1982. About 8 percent had left the USSR in the years 1975–78 (mostly 1978); 48 percent left in 1979; 26 percent left in 1980; and 19 percent left in 1981-82. All were asked to report on their "last normal period" of life in the USSR, defined as the five years immediately preceding the decision to emigrate (or the incident that triggered that decision). For the great majority of those surveyed, that period ended in 1978 or 1979.

Of those interviewed, 36 percent had completed higher education; 50 percent, secondary education. Respondents were almost all from large and medium-

[2]Joseph Berliner—a participant in the Harvard Project, a prime consultant on SIP, and one of our most rigorous critics—pointed out at the Airlie House meeting that if SIP does produce wildly surprising results, scholars in the field as a whole ought to be fired for incompetence.

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sized Soviet cities: 72 percent had lived in cities with a population of 1 million or more; 8 percent in cities of 500,000 to 1 million; and 17 percent in cities of 100,000 to 500,000. Some 82 percent reported themselves to be Jewish either by religion or nationality. An additional 13 percent stated that although they were not Jewish, their parents, spouse, or spouse's parents were. Only 5 percent reported no Jewish connection.

The respondents were not merely a group of like-minded political dissidents. The survey reveals a wide range of motivations for emigration. Respondents often cited more than one reason, the most commonly cited being to accompany family or friends (48 percent), and to respond to "religious" or ethnic (mentioned by 46 percent of the respondents), political (43 percent), and economic (27 percent) considerations. Men were more likely to cite political reasons than were women (52 percent to 36 percent); women were more likely to cite family (55 percent to 39 percent). The well-educated were much more likely to cite political reasons than were those with less education (69 percent of those with advanced education, 37 percent of those with completed secondary education, and only 20 percent of those with less than complete secondary education). Moreover, the young were much more likely (54 percent) than the old (about 20 percent) to cite a political reason for leaving.

When the reasons are analyzed from the perspective of the respondent's role in making the decision to emigrate, politics (53 percent) and religion (46 percent) were the major reasons given by those who made the decision. For those who only shared in the decision, family (50 percent) and religion (48 percent) were the two reasons most cited, with politics third (40 percent). Those who had no significant role in deciding to emigrate give family (72 percent) as the major reason, with religion (28 percent) and politics (24 percent) trailing far behind.

When responses are analyzed on the basis of self-designated nationality, those who consider themselves religious Jews were most likely to give religion (55 percent) as the reason for emigration, followed by

Background on the Soviet Interview Project

The SIP is the first large-scale US scholarly effort to seek insight into Soviet life through surveys of former Soviet citizens since the Harvard University Refugee Project of the 1950's. That pioneering effort sought to assay "the strengths and vulnerabilities of the Soviet social system" by interviewing Soviet expatriates in displaced-persons camps in Allied-occupied Europe following World War II. The sample surveyed then was seemingly unpromising—comprising Soviet citizens who had been prisoners of war or forced laborer in German or had retreated with the Germans, and who, at the conclusion of the war chose not to return to their homeland. Yet the study, funded by the US Air Force and conducted by anthropologist Clyde Kluckhohn, sociologist Alex Inkeles, and social psychologist Raymond Bauer, plus a gifted group of graduate assistants, is generally acclaimed as a success. It stood the test of time, including the unanticipated release of large quantities of new data on Soviet society by Nikita Khrushchev after he consolidated his power in the mid-1950's. Indeed, the work of the Harvard investigators established paradigms for the study of Soviet society that, for the most part, inform research in the West to this day.[1]

When, in the 1970's, tens of thousands of Soviet citizens were allowed to leave the Soviet Union, Western specialists on Soviet matters quickly recognized the potential for new studies. A number of small-scale projects were initiated in the US, including one on the Soviet "second economy" by Gregory Grossman and Vladimir Treml that has subsequently grown in scope and size, and a significant study of Soviet family budgets conducted by Aron Vinokur and Gur Ofer among Soviet emigrants in Israel in the 1970's. In the US, the prospects for a major research program seemed dim because the Ford Foundation had reduced funding for Soviet area studies and, in the government, the "Kissinger rule," named after the Secretary of State, who had established a personal policy against using federal funds for academic or government studies of these emigrants from the USSR, presumably out of concern about potential adverse effects upon the emigration itself and upon US-Israeli relations.

After considerable lobbying by senior Soviet affairs specialists inside and outside the US government, the "Kissinger rule" was revised in early 1979, and in August of the same year, James Millar, coauthor of the present note, agreed to coordinate efforts of a small group of scholars in assessing the feasibility of a major research project to tap the "living archive" of former Soviet citizens in the US. This initial effort was funded by the National Council for Soviet and East European Research (NCSEER).

Key issues facing the group were how to assemble a complete census of recent Soviet emigrants and to determine whether the latter would freely and candidly participate as respondents. Resolution of the second issue depended upon the SIP's ability to assure confidentiality and anonymity. With the help of the National Opinion Research Center of the University of Chicago, the team devised the most rigorous confidentiality procedures ever applied in private survey research—something akin to but more stringent than procedures applied in surveys protecting the

[1]The principal products include Bauer, Inkeles, and Kluckhohn, *How the Soviet System Works*, Cambridge, Harvard University Press, 1957; Inkeles and Bauer, *The Soviet Citizen*, Cambridge, Harvard University Press, 1959; Joseph Berliner, *Factory and Manager in the USSR*, Cambridge, Harvard University Press, 1957; Mark Field, *Doctor and Patient in Soviet Russia*, Cambridge, Harvard University Press, 1957; Alex Dallin, *German Rule in Russia, 1941-45*, London, Macmillan, and New York, St. Martin's Press, 1957.

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family (53 percent) and politics (30 percent). Nonreligious Jews were less likely to cite religious and more likely to cite political or economic factors. For those with no Jewish connection (mostly Russians), the overwhelming motive was political (60 percent).

Thus, far from being a homogeneous group of political dissidents, each of whom was clamoring to leave the Soviet Union for the West, the interviewees emerge as a diverse group in terms of their attitudes, interests, and aspirations. As a result, they constitute a promising source of information about Soviet society.

Nonetheless, the question of bias has been a matter of keen concern to the scholars involved in the SIP. It has been addressed in a variety of ways, with results that have tended to increase confidence in the survey's findings. When there is a known sample bias, survey results can still serve to identify limits. For example, when the SIP found that nearly 30 percent of the respondents had read underground publications while in the Soviet Union, it can be concluded that a generalized figure for the entire Soviet population is not larger, and is almost certainly smaller.

It is common in survey research to test for bias and to make appropriate adjustments when interpreting the data. Although the ethnic composition of the SIP sample is unquestionably skewed, for example, researcher Donna Bahry found that the resulting bias is selective, coming into play on issues relating to ethnicity, but not on general political questions. To test this phenomenon, Bahry divided the respondents into five categories. The first, and largest (2,137 respondents), were "intense identifiers . . . those who saw themselves as Jewish only, and who felt they belonged to no other nationality." The other categories were "moderate identifiers" (262), those "who saw themselves both as Jewish and as belonging to one or more other nationalities of the USSR"; "non-identifiers" (66), "individuals whose parent(s) was (were) Jewish but who claimed another nationality" exclusively; "spouses" (183), that is, "non-Jewish respondents married to a Jewish spouse in the USSR,"; and "others" (145), consisting mostly of persons of Russian nationality.

identity of persons interviewed about criminal acitivities, where lack of anonymity could expose respondents to criminal charges. This approach reassured agences involved in assisting emigrants from the USSR and also resulted in a very successful response rate (79 percent) among the selected interviewees.

However, there still remained the fear that the project could imperil further emigration. Our analysis was that Soviet decisions to allow emigration were linked to larger foreign policy considerations. And subsequent events confirmed that view. Developments in 1979-80—the failure of the United States to ratify the SALT II agreement or to ease restrictions on Soviet trade, the Soviet invasion of Afghanistan and the US Olympic boycott—resulted in a sharp reduction in Soviet exit visas and emigration, to less than one thousand a year, where it still remains.

It was not until September 1981 that the project was launched at full steam under the auspices of the NCSEER on contract from the Department of State with principal funding contributed by the Department of Defense and the Central Intelligence Agency. Headquartered at the University of Illinois at Urbana-Champaign, SIP involved an interdisciplinary research team of 10 scholars[2] that devoted an entire year to developing an interview instrument for the survey, in consultation with a wide range of interested scholars. After extensive pre-testing of the questionnaire in both English and Russian, the survey was fielded between June 1982 and January 1983 by 90 trained bilingual interviewers, mostly young Americans.

The SIP has recently launched three additional projects. One involves recoding available materials from the Harvard Project for comparative analysis with the new surveys. A second involves a new general survey interviewing a new sample of Soviet emigrants who have arrived in the United States more recently. The purpose of the second general survey is to investigate change over time in contemporary Soviet society and to permit the clarification and amplification of certain findings of the first survey. A third survey being fielded is devoted to an investigation of the Soviet military and focuses upon the "human face" of the Soviet military system and upon a comparison of civilian and military sectors of the Soviet social system. Finally, there are a number of "special projects" being conducted with the SIP sample, involving more extensive interviews with persons with specialized profiles such as former managers of economic enterprises, lawyers, and camp returnees.

Reports on these new initiatives and additional publications on the first SIP general survey will appear in the future, and the data and associated materials will be placed in the public domain for the benefit of scholars in the field. All materials will be carefully preserved both at the University of Illinois at Urbana-Champaign. A data tape of the SIP general survey, including all necessary supporting documentation, is to be deposited with the Inter-University Consortium for Social and Political Research, Ann Arbor, Michigan, in December 1986, where it is to be made available for analysis by other scholars. Inquiries concerning SIP studies generally, including requests for working papers, should be directed to: Soviet Interview Project, University of Illinois, 325 Coble Hall, 801 South Wright Street, Champaign, IL 61820.

[2]The Research Team includes professors Barbara A. Anderson, University of Michigan; Donna Bahry, New York University; John Garrard, University of Arizona; Paul R. Gregory, University of Houston; Rasma Karklins, University of Illinois at Chicago; Norman Nie, University of Chicago; Brian D. Silver, Michigan State University; Michael Swafford, Vanderbilt University; Aaron Vinokur, University of Haifa; and William Zimmerman, University of Michigan. Elizabeth Clayton, University of Missouri-St. Louis, and Linda Lubrano, American University, were research associates. James R. Millar, University of Illinois, is project director.

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Bahry discovered that answers to questions related to ethnicity or nationality, such as whether the respondent would desire to have a relative seek a Jewish spouse or whether ethnic discrimination played a role in education or in job advancement, revealed significant ethnic bias. However, answers to more general questions, such as whether agriculture or medical care should be private, revealed no significant variation by ethnic identification. All categories heavily favored *private* agriculture and *public* medical care.

SIP researchers Barbara Anderson and Brian Silver addressed other, more general, questions of survey bias—relating to respondent recall, the validity of responses about other persons, potential contamination of interviews by the presence of other members of the family, and "interviewer effects" (responses calculated to please the questioner). As they report, great care was taken to allow for these problems in designing the survey.

The selection process sometimes resulted in interviews of more than one member of a single household. This had the interesting advantage of permitting the use of statistical techniques to evaluate reliability of respective responses. The results were encouraging. Using 192 individuals who shared the same household with one or more of the given group during the last normal period in the USSR, Anderson and Silver found a high degree of agreement on such objective questions about life in the USSR as the size of residence in square meters, household wealth, monthly household expenditures, husband's monthly income from his main job, and wife's monthly income from her main job—even though spouses were interviewed separately. Responses of spouses to subjective questions—e.g., satisfaction with housing, jobs, medical care, and consumer goods—were also strikingly similar, regardless of whether the pairs were interviewed separately and simultaneously, or separately at different times, or whether others were present during the interview.

In another attempt to identify potential pitfalls in the SIP data, a group of scholars led by Michael Swafford conducted a series of sophisticated statistical tests for unintended influences on responses stemming from the survey's design or from the way it was carried out. Specifically, Swafford sought to see if the responses were influenced by: length of time respondents had lived in the United States; whether respondents participated willingly or reluctantly; possible "interviewer effects" in responses from the 85 interviews conducted by 11 individuals born in the Soviet Union; the sex of the interviewer; and the ethnicity of the respondent. The analysis examined a large sample of survey questions and found little evidence of effects in any of the five categories listed above, with the not surprising exception of a few questions related to ethnicity (as Bahry also found).

In addition to testing the data for internal consistency, SIP scholars have, whenever possible, compared their findings with published Soviet official data. Consider, for example, the economic data developed by team member Paul Gregory. The official Soviet figure for per capita urban housing space for the 1978 urban population is 12.9 square meters. The SIP sample for approximately the same date gave a figure of 13.5 square meters. Hours worked per week is given officially as 40.6, and for the SIP sample it is 40.0. Family size is respectively 3.2 and 3.4 members. Finally, the percent employed revealed in the SIP sample is 69.5, while it was 71.0 percent in 1979 according to Soviet figures. Where this kind of correspondence is found for aggregates or means, one can have considerable confidence in the finer breakdowns that SIP data permit, breakdowns that are not available in any form in Soviet official publications. Much of the SIP information is unique precisely because the project sought answers to questions that Soviet researchers do not ask, or at least ones on which results are not published.

Control and Dissent

The SIP researchers devoted considerable attention to the nature of political coercion and control and of popular attitudes toward the system in today's Soviet society. They came to remarkably similar conclusions, albeit using different methodological approaches.

Rasma Karklins divided the SIP respondents into four groups, based on their attitudes toward the regime and their participation in unsanctioned activities. By far the largest group (50 percent) were neither strongly critical of the system nor active. A smaller group (8 percent) were supporters of the system but reported taking part in some unsanctioned activities. The second largest group (26 percent) were critical of the system but not active. Only 15 percent of those surveyed could be classified as both critical of the system *and* active in unsanctioned activities.

Paul R. Gregory found that the Soviet regime tends to concentrate its attention on activists, rewarding those who lead sanctioned activities, and punishing severely leaders of unsanctioned activites. Blue-collar workers who lead unsanctioned activities appear to be the most severely punished, losing about 35 percent of their pay (as compared to other workers with the same skills and training). Higher-level persons leading unsanctioned activities are more likely to be punished in

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Table 1: Self-Assessed Satisfaction among Soviet Emigrants

(N = 2,793)

Answers to the questions:		How satisfied were you with:				
		standard of living	housing	goods	job	medical care
Very satisfied	N =	310	645	139	711	518
	% =	*11.1*	*23.1*	*5.0*	*25.5*	*18.5*
Somewhat satisfied	N =	1,343	1,213	488	1,054	1,142
	% =	*48.1*	*43.4*	*17.5*	*37.7*	*40.9*
Somewhat dissatisfied	N =	694	379	634	303	570
	% =	*24.8*	*13.6*	*22.7*	*10.8*	*20.4*
Very dissastisfied	N =	403	533	1,477	170	450
	% =	*14.4*	*19.1*	*52.9*	*6.1*	*16.1*
No response	N =	43	23	55	555	111
	% =	*1,5*	*0.9*	*2.1*	*20.2*	*4.0*

SOURCE: J. R. Millar and E. Clayton, "Quality of Life: Subjective Measures of Relative Satisfaction," Soviet Interview Project.

ways other than by a drastic wage reduction—e.g., by loss of privileges and of advancement opportunities. (The authorities were found to pay little attention to those who merely participate in unsanctioned activities such as attending illicit study groups or reading unauthorized publications). Conversely, those leading approved activities receive special privileges (such as use of a state car), better jobs, and higher pay as rewards for their loyalty.

Soviet authorities appear to hope that by punishing unsanctioned activists they will provide citizens with examples of the price to be paid for dissent. But there are pitfalls to this approach. Several SIP studies found that coercive measures by Soviet authorities tend to bring forth more dissent. Bahry and Silver found that those who had been officially disciplined for their activities were more likely to engage in subsequent acts of dissent. Karklins found that family members of those who had run afoul of Soviet authorities were also likely subsequently to be drawn into acts of dissent. All concluded, with Gregory, that blue-collar protests such as strikes were likely to be more severely punished than intellectual dissent, the former being perceived by the regime as being more directly threatening to its continued rule.

Karklins found that repression is rarely instant or intense. In part this may reflect deliberate Soviet policy, but in part it also reflects new tactics of Soviet dissenters, who have learned to use international news coverage and provisions of Soviet law as temporary shields against official repression. It also may reflect, as Karklins and others have observed, the relatively nonthreatening nature of the activities engaged in by most of the activists in the survey.

Therefore, although coercion remains an important element in the Soviet system, it is not the only method of social control and may not be the most potent one. Bahry and Silver found that many respondents—particularly the young and well-educated—found official reaction to unsanctioned behavior predictable, and thus felt unsanctioned behavior constituted a calculated risk they were willing to take. The researchers concluded that although intimidation continues to work, it may be working less well and not always in the ways Soviet leaders intend.

Also apparently not working well is the effort of the regime to increase its popular support with each new generation of citizens. Indeed, the SIP revealed that a major shift in the structure of support for the Soviet regime has occurred since the Harvard Project of the 1950's (see box). Whereas the earlier survey found the young and well-educated to be the most supportive of some basic elements of the Soviet system and found the older, less-educated emigrants more critical, the SIP survey yielded the exact opposite results.

Moreover, those who were reaping the most material benefits from Soviet socialist society in the later 1970's were, in general, the least satisfied members of that society. Elizabeth Clayton and James Millar found that those who lived in the most desirable cities, who had the highest educational attainments, who held the most skilled jobs, who earned the highest incomes, who occupied the best housing, and who dominated consumption in all markets reported themselves the least satisfied. This is in sharp contrast with the findings of the Harvard Project, in which the same categories were the least dissatisfied.

In general, the level of support for traditional state

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control and management of major sectors of the economy declines with each increase in the level of educational attainment. The same pattern occurs in responses to questions juxtaposing the power of the state and of individuals. Thus, the drive to modernize the Soviet economy may be carrying with it some unsettling side effects. An educated middle class is of increasing importance to economic growth and the advancement of science and technology in the USSR, yet to create such a class is to court increasing disaffection.

These attitudinal trends do, it should be noted, occur at the margins. Analysis by Clayton and Millar of responses about the quality of life found 60 percent "very satisfied" or "somewhat satisfied" with their standard of living during their last normal period in the USSR (see Table 1). This perhaps surprising result is corroborated by the fact that less than 30 percent of respondents gave economic reasons for emigrating. Most expressed their greatest satisfaction with their jobs, and next with their housing. They were least satisfied with consumer goods and services.

Adequate housing was strongly linked to overall satisfaction—and was a particular concern of the young, who often must share apartments or live in dormitories. Married respondents were more satisfied than singles. Residents of smaller cities were more satisfied than those in larger cities. And women, particularly older women, were more satisfied than men, despite lower income and occupational status. Although they considered themselves in poorer health than men and hence more likely to need medical care, women were also more satisfied than men with the accessibility of medical care.

Brian Silver found that the keys to popular support for Soviet regime norms are, insofar as they exist, education and material rewards. Increased material rewards do increase regime support, but they fail, in general, to keep pace with educational advancement. Thus, wide access to education has contributed both to the generational anomie of the young and to the disaffection of Soviet society's best and brightest.

Using questions similar to those in the Harvard Project of the 1950's, Silver sought to gauge the respondents' attitudes toward certain established institutional practices in the Soviet regime, such as state ownership of industry, state control of agriculture production and distribution, and state provision of free medical care. In addition, respondents were asked about whether workers should have the right to strike; about the Soviet practice of requiring residence permits to live in large cities; and about legal policies that favor the rights of society over the rights of the accused.

He found that the respondents tended to support state control of heavy industry and free medical care. More than 40 percent favored state-controlled industry, while 26 percent favored converting industry to private control. More than 50 percent evidenced strong support for state-provided medical care; less than 7 percent favored completely private medicine. In agriculture, however, 69 percent favored private over state control.

On issues concerning the rights of individuals and the powers of the state, 43 percent strongly favored a right to strike, and 76 percent opposed residency permits. As to whether the rights of society should take precedence over the rights of the accused even if an innocent person is sometimes sent to prison, the response was more mixed. Twenty-five percent strongly favored protecting the individual from the state, while 17 percent strongly favored the power of the state over the individual.

Even those most strongly hostile to the Soviet system, however, were not negative on all its aspects. Thus, 48 percent of those who believed that "the US can learn nothing from the USSR" still favored state-provided medical care, and nearly 30 percent favored state ownership of heavy industry. This willingness of respondents to endorse strongly some key features of the Soviet regime while sharply criticizing others further enchances confidence in the validity of the survey's findings.

Among the relatively disaffected "best and brightest" of Soviet society, it is the young who are the most disaffected. Thus, Bahry found relatively higher rates of criticism among the young at all educational levels, and the higher the level of education of a young person, the greater the tendency to be critical and to be inclined toward unconventional activities. Moreover, the survey indicates that youths who have been highly active in such conventional activity as the Komsomol—designed to mold "active builders of communism"—are also often the most politically deviant.

What seems clear is that the young, much more so than those who are older, judge the regime on the basis of current performance. They are looking for material and measurable progress now. If it does not materialize, or comes slowly and haltingly, this could create problems for the Soviet leadership. The older generation, which experienced one or more of the many traumatic events in Soviet history, is apparently more philosophical about the failings of the Soviet system today. After all, taken as a whole, the years since Stalin have been generally peaceful and relatively prosperous, notwithstanding the recent stagnation of the Soviet economy.

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The young may be victims of the rewriting of Soviet history: having never experienced Stalinism and having been taught only a sanitized history of the period, they give little weight to the realities of those days in their evaluations. One might infer from this situation that if there are neo-Stalinists today in the Soviet Union, they must be among the young. It is curious and significant that while the young appear to agree with their elders that the Khrushchev years represented a kind of "golden age," they voted the Brezhnev era as the worst in all respects (even in comparison with the Stalin era).

More evidence of a withering away of support for certain aspects of the Soviet system comes from the analysis of William Zimmerman. Only one respondent in ten reported having regularly attended meetings of such groups as the people's militia, people's control commissions, or comrades' courts—institutions often seen as devices for mobilizing support for the system. He also found reading of *samizdat* and listening to foreign radio broadcasts to be common among the mid-level elite. Readership of underground publications was highest among higher-level professionals (45 percent) and the political middle elite (41 percent) and lowest among enterprise managers (27 percent). For blue-collar workers it was lowest of all (14 percent). Only 77 percent of blue-collar workers listened to foreign broadcasts compared to 96 percent of the middle leaders. Zimmerman also found signs of an increase over time in the tendency to use *blat* or *protektsiya* (bribery or influence) to get a job, as well as to try to avoid military service.

Table 2: Occupational Prestige Scores from Soviet Emigrants

Occupation	Score[1]
Lawyer	76.4
Doctor	76.3
Literary worker	70.7
Professor	66.8
Economist	66.0
Chemical engineer	65.6
Army officer	60.4
Teacher	56.4
Driver	45.3
Mail carrier	38.2
Tractor driver	36.6
Field hand	32.6
Sales clerk	29.4
Bookkeeper	22.3

[1]The higher the score, the higher the perceived prestige.

SOURCE: M. Swafford, "Perceptions of Social Status in the USSR," Soviet Interview Project.

Zimmerman's study demonstrates two major findings. First, the current young, successful generation is perhaps the most highly "mobilized" of any Soviet generation ever in the formal sense of the word. They belong to the correct social and political organizations, and they participate at high rates. Yet this same group, is also the most heavily involved in "unconventional" behavior—refusing to vote, listening to BBC and other foreign broadcasts, reading and distributing *samizdat*, and reading foreign fiction and nonfiction. Second, the survey reveals a gradual "privatization" of personal life since Stalin. The use of connections and influence to avoid military service or to obtain a choice first job, for example, are reported to have become more widespread over time.

Living under "Socialism"

It is difficult within the confines of a brief note to do justice to all of the careful and thought-provoking studies emerging from the SIP. We might just mention briefly some of the other salient findings with regard to Soviet "socialist" society.

The first have to do with attitudes toward jobs and incentives. Although the respondents were generally satisfied with their jobs, Paul Gregory found that they frequently reported that productivity at the workplace was low and that trade unions and party organizations were largely ineffectual. The overwhelming explanation they gave for low productivity was inadequate or ineffective incentives. Many respondents admitted to frequent stealing of time from work to take care of personal matters. Without time to shop, higher income is meaningless. Although workers rarely blamed the system, management, or alcoholism for low productivity, those in management were more likely to cite such factors—the same ones commonly cited in Western analyses of the Soviet economy.

Michael Swafford looked at how occupation, party membership, education, ethnicity, income, gender, and location of residence serve as determinants of perceptions of social status in the Soviet Union. He found that though blue-collar workers are championed by Soviet ideology, they are not highly regarded. Instead, status is conferred on the basis of attainments such as occupational level, party membership, and education. The highest status is ascribed to lawyers, doctors, writers, professors, engineers, and army officers (see Table 2). Ethnicity is also a significant factor in perceptions of prestige among the respondents, while gender seems much less significant. Swafford concludes that Max Weber's explanation of class, or social stratification, as a function of wealth, power, and

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Table 3: Per Hour Gross Wages at the Main Place of Work in the Public Sector and in the Private Sector, by Occupational Groups

Occupational group	For work in public sector (rubles)	For private work (rubles)	Ratio of private and public sector wages
Faculty members and researchers	1.38	8.18	5.90
Engineers	1.07	5.62	5.30
Medical doctors and dentists	1.21	32.96	27.20
Employees in administration and planning	0.97	3.50	3.60
Teachers at high school	1.15	4.94	4.30
Employees in culture	1.60	6.95	4.30
Several kinds of employees with special secondary level of education	0.84	8.60	10.20
Nonprofessional white-collar workers	0.77	3.26	4.20
Blue-collar workers in the production sector:			
Skilled	1.23	7.93	6.45
Semiskilled	0.98	6.19	6.32
Unskilled	0.96	18.17	18.90
Other[1]	1.04	6.85	6.59
Drivers	1.24	6.24	5.03
Blue-collar workers in service sectors	0.85	5.54	6.52
Mean for all occupational groups	1.08	8.14	7.50

[1]Workers who did not report their "grade" skill.

SOURCE: A. Vinokur and G. Ofer, "Inequality of Earnings, Household Income and Wealth in the Soviet Union in the 70's," Soviet Interview Project.

prestige seems to offer a better explanation of actual status rankings in the USSR than does Karl Marx's analysis, which saw social classes as being derived solely from relationships to the means of production.

Aaron Vinokur and Gur Ofer found that income and wealth are divided in the Soviet Union in patterns not much different from those found in many Western states. They reached this conclusion on the basis of information from both the SIP survey and from a survey of family budgets conducted in the mid-1970's among 1,250 Soviet emigrant families in Israel.

The two scholars estimates that in 1979 the 10 percent of Soviet households with the highest average income per household received 33.4 percent of all income. The share for the lowest 10 percent of households was 3 percent of the income. The highest 20 percent received 46.4 percent; the lowest 20 percent, 7.4 percent. Interestingly, income from the private sector helped offset the inequality in some cases and aggravated it in others (see Table 3). For 1979, more than 12 percent of the respondents reported income from both public and private sources, with the average hourly income from private activity about 7.5 times as great as earnings from public-sector employment.

Total wealth appears to be even more unequally distributed. The top 10 percent of households own more than 40 percent of the total sum of wealth and approximately 45 percent of the total financial assets (see Table 4).

Thus, Soviet society appears far from egalitarian. The distribution of income and wealth in the USSR is perhaps more egalitarian than one might expect given the country's level of development—thanks to the widespread availability of education. But it does not

Table 4: Distribution of Total Wealth and Financial Assets in the Soviet Union, 1979

Population proportion	Percent share of gross wealth	Percent share of financial assets
Lowest 25 percent	0.3	—
Lowest 50 percent	8.9	5.9
Highest 1 percent	7.0	11.5
Highest 5 percent	28.7	28.6
Highest 10 percent	42.9	43.1
Highest 25 percent	69.5	72.8
(Gini coefficient)	(.61)	(.64)

SOURCE: A. Vinokur and G. Ofer, "Inequality of Earnings, Household Income and Wealth in the Soviet Union in the 70's," Soviet Interview Project.

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stand out as exceptionally egalitarian when compared with other more developed "mixed" economies.

The proportion of families at or below the poverty level appears to have declined—presumably thanks to an extension of a minimum wage to a number of new sectors of the economy. Poverty is, however, still widespread, affecting between 5 and 21.9 percent of the households, depending upon the definition. Also, as in the United States, poverty is "feminized"—i.e., single women and mothers with children are much more likely to be found among the poor.

On average, as Gregory discovered, women earn between 18 and 29 percent less than men, in part because of occupational segregation, but mainly because women are paid less than are men even when both have similar education, experience, and responsibilities. The gap between remuneration of men and of women in blue-collar jobs is greater than in high-level positions.

Barbara A. Anderson's examination of the life course of Soviet women born between 1905 and 1960 also yielded important findings. She discovered that the well-recognized high rates of female participation in the Soviet labor force actually understate the proportion of women who are engaged in the workforce over their lifetimes. Essentially all Soviet women work, their entry into and departure from the work force primarily governed by the bearing and rearing of children. The number of years a woman spends in the labor force is inversely related to the number of children she bears and to her husband's income. These two variables are obviously crucial, therefore, to estimates of future female labor force participation in the USSR.

Reliance upon abortion as a means to control family size is exceptionally common, Anderson documents, noting that this phenomenon even has roots in prerevolutionary Russian society. Among the women surveyed, 69 percent reported having had at least one abortion. Nearly 70 percent of women born between 1926 and 1945 reported two or more abortions, even though abortions were illegal between 1935 and 1956.

A study by Rasma Karklins found evidence that Soviet policies attempting to diffuse ethnic tensions may not be working. She concluded that resentments generated by those policies—and a heightened awareness of nationality as an asset or a liability when it comes to social mobility—may be creating new ethnic stresses in the USSR. More conclusive results may require studies of a more ethnically diverse sample of Soviet emigrants.[3]

In yet another study, Linda Lubrano found, as did Swafford, that scientists are well-respected. But many respondents took issue with the priorities of Soviet science, tending to believe that too much was spent on the Soviet space program. By contrast, almost two-thirds said that too little was being spent on health and agriculture. They gave widespread support to scientific inquiry and generally agreed that Soviet scientists were competent, but were skeptical about the ability of Soviet science to solve economic problems, especially in agriculture.

Prelimary Conclusions

The most significant finding to emerge from the early SIP research is the erosion of popular support for the Soviet system among important sectors of the society. At the same time, these indications suggest a strategy that the Soviet leadership might use to revive its popular base. Because support is weakest among the best educated and the young, educational opportunity might be manipulated to restrict education levels to employment possibilities (in essence, what the recent reforms of secondary and higher education seem aimed at effecting). Also, greater effort would need to be applied to give tangible rewards to those who have worked hard to earn higher incomes—specifically by increasing the quality and quantity of goods and services that are available to citizens in the Soviet Union. What good is a high salary, after all, if there is little to spend it on? Finally, the young would need to be cultivated especially intensively, partly by linking the policies of the current regime to the progressive aspects of the Khrushchev period.

Otherwise, despite all the changes—and all of the accomplishments of the Soviets over the past 30 years—the best and brightest are likely to remain discontented. For as the 70th anniversary of the Soviet revolution approaches, it is not the state, but rather unquestioning support for it among the young and other key members of the society, that appears to be withering away.

[3]Karklins is involved as a consultant in such a study of German-Russian Soviet citizens who have taken up residence in West Germany. This study is expected to be available for comparative analysis with SIP data in the near future.

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Recent Trends in Japanese-Soviet Trade

Gordon B. Smith

IN THE 1960's and 1970's, Japan embarked upon a course of broad economic cooperation with the Soviet Union. Due to a combination of favorable political and economic factors, the volume of Japanese-Soviet trade rapidly increased more than 12-fold between 1965 and 1982, rising from a level of US$408 million to more than US$5.5 billion.[1] But there seems to have been a reversal in the past several years, and the volume of Japanese-Soviet trade has decreased by a substantial 21 percent in 1985.[2]

In an attempt to explain this setback, Soviet analysts of Japanese-Soviet commercial relations have argued that recent fluctuations in trade are the product of political factors, foremost among them being embargoes on exports to the USSR.[3] They maintain, moreover, that given the close proximity of the two nations and the complementarity between technology-rich Japan and the resource-rich regions of Siberia and the Soviet Far East, trade between Japan and the USSR should expand once again with time.

This essay challenges such assumptions about Japanese-Soviet trade by arguing that: (1) the rapid expansion of trade between the USSR and Japan during the 1960's and 1970's was the result of a special combination of factors that is highly unlikely to reoccur; (2) the high level of commercial cooperation that existed between the two states was an exception rather than the rule; and (3) the underlying causes of the recent downturn in the volume of trade would appear to be more economic than political in nature and are rooted in the structural characteristics of Japanese-Soviet commercial ties. To support my contentions, I shall first give a brief outline of Japanese-Soviet economic relations since the mid-1950's, then analyze the factors that brought about a flourishing of Japanese-Soviet trade and the causes of the current slowdown in Japanese-Soviet commercial relations, and conclude with some speculations about the future course of those relations.

Historical Background

Japanese-Soviet trade and commercial cooperation, begun in 1917, remained on a very modest level until the mid-1950's. Then, in 1956, the Japan Cooperative Trade Corporation was founded to foster barter exchange of Soviet timber for Japanese textile goods. The following year, Japan granted the Soviet Union most-favored-nation status and better access to Japa-

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[1]Calculated on the basis of the Japan Association for Trade with the Soviet Union and Socialist Countries of Europe (SOTOBO) data published in *Monthly Bulletin on Trade with the USSR and East Europe* (Tokyo), January 1965–April 1985.

[2]Ibid.; and the Soviet Ministry's of Foreign Trade statistical yearbook, *Vneshnyaya torgovlya SSSR* (Foreign Trade of the USSR) for the years 1981–85, Moscow, Finansy i Statistika, 1982 through 1986.

[3]E.g., see Yu. S. Stolyarov and Yu. A. Pevzner, Eds., *SSSR-Yaponya: Problemy torgovno-ekonomicheskich otnosheniy* (USSR-Japan: Problems of Trade-Economic Relations), Moscow, Mezhdunarodniye otnosheniya, 1984.

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nese port facilities. Despite these concessions, the volume of trade between the two states continued to be low-level, constituting less than 1 percent of total Japanese trade turnover. During this period, the business of trade was conducted mostly by small and medium-sized firms, as large Japanese trading corporations, heavily dependent on US trade, avoided direct contacts with the Soviets by creating small dummy firms for handling their trade relations with the USSR.

In 1963, coastal trade was begun between local Japanese and Soviet communities on the Sea of Japan that were interested in exchanging textiles and housewares for fish and sea products. Eventually, this intercoastal trade expanded to include exchanges of Japanese office equipment and construction machinery for Soviet timber and coal exports.

The next sector to promote trade with the Soviet Union was the Japanese steel industry. Recognizing the need to expand its sources of coking coal, industry representation began, in the 1960's, to lobby for more extensive trade relations with the USSR. A delegation of Japanese steel industry officials visited Moscow in 1965 and laid the groundwork for the Japanese-Soviet Economic Committee. Meanwhile, Keidanren, the powerful Federation of Economic Organizations, was also actively supporting improved economic relations.

The Japanese-Soviet Economic Committee, established in 1965 to promote large-scale, long-term cooperative projects between the two states, lent its effort to bringing about seven joint projects in the years 1968 to 1975. They were:

- The Soviet Far East Forest Resources Development Project (1968)
- The Wrangel Port Construction Project (1970)
- The Chip and Pulp Development Project (1971)
- The South Yakutsk Coking Coal Development Project (1974)
- The Soviet Far East Forest Resources Development Project—Phase II (1974)
- The Yakutsk Natural Gas Project (1974)
- The Sakhalin Continental Shelf Oil and Gas Project (1975)

Each of these joint project agreements was signed at a time when Japan had ample capital available for investment and when the political climate was favorable for improving relations with the USSR. And it was not by accident that three of the seven projects centered on energy development, all three having been undertaken during 1974–75, shortly after the rise in world oil prices had shocked the Japanese economy. Even as US-Soviet détente began to falter in the late 1970's, Japanese-Soviet trade continued to expand—albeit at a slower rate. Yet the changing political climate did produce noticeable repercussions, most notably, the virtual halt to further joint projects, despite persistent Soviet interest in continuing them.

In contrast to its earlier rapid expansion, Japanese trade with the USSR grew by only 4.8 percent in 1980. That year's slowdown can be attributed to Japanese support for the US embargo against the Soviet Union in response to the 1979 Soviet invasion of Afghanistan. The growth rate in Japanese-Soviet trade then recovered in 1981, and by 1982 soared to a record level of 3.6 billion rubles (see Table 1).

However, between 1983 and 1985, Japanese-Soviet trade contracted by more than 21 percent. A main cause of this drop was a precipitous drop in Soviet imports of Japanese manufactures and high technol-

Table 1: Soviet-Japanese Trade, 1975-84

(millions of rubles)

Year	Soviet exports	Percent change	Soviet imports	Percent change	Total trade	Percent change
1975	668.9	—	1,253.5	—	1,922.4	—
1976	748.4	+11.9	1,372.1	+ 9.5	2,120.5	+10.3
1977	853.4	+14.0	1,444.4	+ 5.3	2,297.8	+ 8.4
1978	736.1	–13.7	1,583.7	+ 9.6	2,319.8	+ 1.0
1979	944.4	+28.3	1,653.5	+ 4.4	2,597.9	+12.0
1980	950.2	+ 0.6	1,772.6	+ 7.2	2,722.8	+ 4.8
1981	816.8	–14.0	2,212.7	+24.8	3,029.5	+12.3
1982	756.6	– 7.4	2,925.8	+32.2	3,682.4	+21.6
1983	828.5	+ 9.5	2,175.5	–25.6	3,004.0	–18.4
1984	840.0	+ 1.4	2,054.3	– 5.6	2,894.3	– 3.7

SOURCE: *Vneshnyaya torgovlya SSSR v 1975 g.* (The Foreign Trade of the USSR in 1975), and comparable volumes through 1984, Moscow, Finansy i statistika, 1975–1985

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Table 2: Top Ten Soviet Exports to Japan, 1975-84

(percent of total)

Rank	1975	Percent	1982	Percent	1983	Percent	1984	Percent
1	Round timber	27.6	Round timber	25.0	Round timber	25.7	Round timber	24.1
2	Rough sawed timber	25.1	Rough sawed timber	20.9	Rough sawed timber	21.3	Rough sawed timber	20.1
3	Coal	12.3	Oil and products	13.1	Oil and products	14.9	Oil and products	15.5
4	Cotton fiber	10.6	Cotton fiber	11.6	Coal	8.5	Coal	10.8
5	Oil and products	7.6	Coal	7.7	Cotton fiber	8.4	Pulpwood	3.3
6	Non-ferrous metals	3.1	Scrap metal	2.2	Constr. lumber	2.4	Cotton fiber	3.2
7	Potassium salt	2.1	Constr. lumber	2.2	Scrap metal	2.2	Scrap metal	3.0
8	Constr. lumber	1.6	Chemicals	2.0	Pulpwood	2.0	Chemicals	2.1
9	Minerals, clay	1.3	Pulpwood	1.8	Chemicals	1.9	Fish	2.0
10	Scrap metal	1.0	Whale meat	1.6	Fish	1.7	Potash fertilizer	2.0
Share of total exports		92.3		88.1		89.0		86.1

ogy. Statistics indicate that during the period 1982–84, Japan slipped from second to sixth place among the USSR's leading trade partners in the West, behind Germany, Finland, Italy, France, and Britain. Although a slight rebound was reported in 1985, total trade turnover for that year was only at the 1981 level.[4] Before analyzing this and other causes of the decline in Japanese-Soviet trade, we first need to examine the structure of that trade.

Soviet Exports

Raw materials constitute more than 80 percent of all Soviet exports to Japan.[5] Heading the list are timber and forestry resources—round timber, rough-sawed lumber, and pulpwood—accounting for almost one-half of all exports to Japan; next are energy resources, primarily oil and coal, which amount to 25 percent of the total (see Table 2). Although there has been a slight tendency to try to diversify export items, the commodity composition of Soviet exports to Japan has remained remarkably stable over the decade. In 1984, the top 10 export commodities still accounted for more than 86 percent of all Soviet exports. However, the decline in the growth rate of Japan's economy after 1975 had a negative impact on the volume of Soviet exports to Japan. It has resulted in a greatly reduced level of demand for Soviet raw materials, particularly in the energy, steel, and construction sectors that once absorbed the vast majority of Soviet exports to Japan.

Although Soviet analysts argue to the contrary, so-called Japanese-Soviet territorial proximity holds little in the way of hope for future long-term trade expansion between the two neighbors. After all, the coal fields of South Yakutya are located more than 2,600 kilometers (km) from Nakhodka, from where coal is shipped another 1,700 km to Yokohama.[6] Moreover, Irkutsk, in Eastern Siberia, is located closer to the Ural Mountains than it is to the Pacific Ocean, and the major new oil and gas fields being developed in Northwest Siberia are closer to Western Europe than to Japan by some 3,000 km.

Among the many difficulties facing the Soviets in their attempts to expand the volume of exports to Japan are rising development costs, growing foreign competition, and Japan's declining demand for Soviet energy resources and other raw materials. The magnitude of these difficulties can be understood best by examining major Soviet exports to that country on a sector-by-sector basis.

Forestry resources. In terms of volume, the USSR is the second leading supplier of timber products to Japan; only Canada provides more. Most of the timber exports consist of round and rough-sawed logs from the Far Eastern region of the Soviet Union, with construction-grade lumber and plywood constituting a relatively small portion owing to a lack of processing equipment. While timber exports grew rapidly during the 1960's and 1970's—as much as 12 percent per annum—peaking in 1977 at 8.9 million cubic meters,[7] they have declined by more than one-third since then. Recently, reports of lumber shortages in Ukraine have

[4] *Japan Times* (Tokyo), Mar. 5, 1986, p. 7.

[5] See yearly statistics in *Vneshnyaya torgovlya SSSR*.

[6] For an extensive discussion of the issue of proximity and Japanese-Soviet trade, see Leslie Dienes, "Soviet-Japanese Economic Relations: Have They Begun To Fade?" in *Soviet Geography* (New York), September, 1985, pp. 509–25.

[7] See statistics for 1977 in *Vneshnyaya torgovlya SSSR v 1978 g.*, pp. 241–42.

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surfaced in the Soviet press, indicating that the opportunity costs of lumber exports are rising.[8] Moreover, the Soviet Union is now facing growing competition from such countries as the United States,[9] Canada, Australia, and New Zealand.

The future development of Soviet Far Eastern timber reserves depends to a considerable degree on the Japanese market. At present, shipping lumber west from any point further than Krasnoyarsk in Central Siberia does not pay for itself.[10] Clearly, should the Japanese market not return to 1977 levels, there will be little incentive to develop the Far Eastern reserves.

Ironically, much of the early planning for the Baikal-Amur Mainline (BAM) project, as well as for the construction of port facilities at Wrangel Bay, Vostochnyy, and Sovetskaya Gavn', were predicated on the assumption that exports of timber and forestry resources to Japan would expand. Alarmed by the decline in timber trade that actually ensued, both sides eventually engaged in intensive government-to-government discussions in 1983 and 1984 in an attempt to stabilize commercial relations. In August 1985, the Japan Chip Trading Company agreed to double its pulp purchases over a 10-year period, beginning in 1986, bringing the total to 11.2 million cubic meters by 1995.[11] In exchange, the Soviets agreed to buy Japanese processing equipment. Other projects are still under discussion.

Coal. Soviet exports of coal to Japan peaked in 1976, declined by 50 percent during 1977–81, and since then have recovered, reaching 85 percent of the 1976 level of trade volume.[12] The bulk of Soviet coal exports to Japan comes from the south Yakutsk region, where coal is being extracted since 1940.

In 1974, the USSR and Japan signed an agreement for the joint development of coking coal reserves in south Yakutsk. In accordance with the terms of the agreement, the Japan Export-Import Bank extended US$450 million in credits (in installments) to the USSR in return for which the Soviets were obligated to deliver a total of 104.4 million tons of coal to six Japanese steel firms over a 20-year period.[13] Accordingly, the Nakhodka terminal was expanded to handle up to 6.2 million tons of coal per year.

The development of the south Yakutsk reserves was hampered, however, by the discovery in 1983 of a 350-meter layer of rock covering the coal deposits. The Soviets had to import Japanese hydraulic equipment in order to drill through this rock layer. But because of extremely cold temperatures, the equipment frequently broke down, and according to estimates was operating a mere 60 percent of the time.[14] Due to these difficulties, the first deliveries of coal from south Yakutsk began reaching Japan only in 1983—four years behind target.

By that time, however, Japanese demand for coal had diminished substantially. Rapidly rising energy costs had forced almost one-half of all Japanese aluminum firms to close by the late 1970's.[15] Similarly, investments in the steel industry had declined throughout the decade as Japan sought to develop its less material-intensive automobile, electronic, and ceramics industries.[16] In addition, massive efforts had been undertaken to conserve energy in Japan. In 1980, 7.7 percent of all Japanese expenditures on plants and equipment were earmarked for energy-saving investment, and another 1.7 percent was directed toward fuel conversion.[17]

The rapid development of nuclear energy, which now accounts for 22.9 percent of all electricity generated,[18] has also contributed to the decreasing demand for Soviet coal. Finally, Japanese purchases of Soviet coal have been affected by foreign competition, in particular from the United States and Australia, which are currently attempting to expand their coal exports in order to lessen the severe imbalances in their trade with Japan.

Oil. Japanese purchases of Soviet oil have steadily increased since 1977 and today exceed 137 million rubles per year.[19] Nevertheless, the value of oil exports to Japan has fallen short of earlier projections due to the decline in oil prices over the past four years. The Japanese are now able to purchase oil at competitive prices on the spot market or through short-term

[8]Cited in Peter Blandon, *Soviet Forest Industries,* Boulder, CO, Westview Press, 1983, pp. 252–54.

[9]In 1985 the US administration decided that forestry resources would be one of the four sectors in which they would urge the Japanese to expand their imports in order to redress the growing trade imbalance. The other three were: telecommunications equipment, electronics, pharmaceuticals and medical equipment.

[10]Blandon, op. cit., pp. 252–54.

[11]*Japan Times,* Mar. 14, 1986, p. 9.

[12]See statistics for the last twenty years in *Vneshnyaya torgovlya SSSR.*

[13]On the basis of consultations with Kato Yukihiro, general manager, External Relations Department, South Yakutsk Coal Development Co., Ltd., in Tokyo, Mar. 6, 1986.

[14]Reported in *Far Eastern Economic Review* (Hong Kong), Mar. 17, 1983.

[15]M. M. Kostecki, *Soviet Impact on Commodity Markets,* London, Macmillan, 1984, p. 119.

[16]*Japan 1984: An International Comparison,* Tokyo, Keizai Koho Center, 1984, p. 21.

[17]Cited in Dienes, loc. cit., p. 512.

[18]*Japan Times,* Oct. 27, 1984, p. 2.

[19]See statistics in *Vneshnyaya torgovlya SSSR v 1985 g.,* p. 238.

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Table 3: Top Ten Soviet Imports from Japan, 1975-84

(percent of total)

Rank	1975	Percent	1982	Percent	1983	Percent	1984	Pecent
1	Machines, equip.	27.9	Machines, equip.	30.1	Machines, equip.	28.3	Machines, equip.	27.0
2	Rolled steel	13.2	Pipe	24.0	Pipe	20.1	Pipe	21.5
3	Pipe	13.1	Road const. equip.	11.7	Rolled steel	7.5	Rolled steel	7.6
4	Chemicals	3.7	Rolled steel	6.1	Road const. equip.	7.4	Road const. equip.	4.6
5	Silk, fabrics	3.5	Chemicals	3.2	Chemicals	4.2	Chemicals	4.6
6	Cocks, valves	3.2	Drilling equip.	2.7	Chemical equip.	3.2	Chemical equip.	3.1
7	Consum. ind. equip.	2.8	Indust. armatures	2.2	Drilling equip.	3.1	Silk, fabrics	2.6
8	Bulldozers	2.4	Chemical equip.	2.2.	Silk, fabric	2.9	Drilling equip.	2.6
9	Insulating mater.	2.1	Silk, fabric	1.8	Insulating mat.	1.9	Insulating mat.	2.3
10	Tin plate	2.1	Plastics	1.4	Plastics	1.9	Metal presses	2.0
Total share of all trade		74.0		85.4		80.5		77.9

contracts and do not need to negotiate the long-term contracts preferred by the Soviets.

The centerpiece of Japanese-Soviet energy cooperation is the joint venture in offshore drilling near Sakhalin, begun in 1977. Thus far, that project has tapped a few small gas wells, but no major oil fields.

Other commodities. With one-quarter of its asbestos purchases coming from the Soviet Union, Japan has become the leading importer of Soviet asbestos (outside of Eastern Europe). The growing volume of Japanese purchases from the USSR has seriously eroded Canada's share of asbestos supplies to Japan.[20]

Soviet exports of cotton to Japan rose from 7 percent of total imports in 1965–69 to 16 percent in 1976. Nevertheless, the United States, with a 36 percent share of Japan's cotton import market, remains that country's main supplier. [21]

Despite a wealth of mineral resources, the Soviet Union has had little impact on Japan's metallic ores market. While Japanese steel production depends on manganese ore imports, its requirements are met primarily by non-Soviet sources. Similarly, Japanese industries obtain most of the necessary palladium, platinum, gold, silver, rhodium, vanadium, and other rare metals from South Africa, Canada, and Asian neighbors, rather than from the USSR. However, with the recent destabilization of South African rare metal mining industries, the Japanese have shown interest in expanding their purchases from the USSR.[22]

Soviet Imports

Over the past decade, Soviet imports from Japan have demonstrated remarkable consistency. Japanese machinery and equipment continue to be top import items, constituting on average roughly 28 percent of all imports from Japan. They are followed by steel pipe, rolled steel, and road-construction equipment[23] (see Table 3). These imports have been closely tied to large-scale development projects in Siberia and the Far East, such as BAM, gas and oil pipeline construction, and the seven joint development projects already mentioned. Thus, for example, as part of a joint development venture, the Soviet Union has obtained heavy timber-harvesting equipment from the Japanese firm Komatsu in exchange for deliveries of timber and forestry resources.

However, the USSR's 12th Five-Year Plan (1986–90) does not call for any new large-scale development projects in Siberia and the Soviet Far East, and some of the old projects have neared completion. For example, pipeline construction was slated to be largely completed by 1985. Consequently, it now appears doubtful that there will be further demand for Japanese pipe and earthmoving equipment in the near future. Indeed, Soviet purchases of large-diameter pipe peaked in 1982 and now stand at only one-half that level.[24] The fact that Mannesmann AG, the giant West German steel manufacturer and supplier of large-diameter pipe to the USSR, has already retooled its production facilities and is no longer counting on the Soviet market is also a noteworthy indication of this downward trend.

Yet, a significant portion of Japanese machinery

[20]Kostecki, op. cit., p. 180.
[21]Ibid., p. 228.
[22]On the basis of consultations with officials at Keidanren and SOTOBO, in Tokyo, June 30, 1985, and Mar. 4, 1986.
[23]See statistics for the last ten years in *Vneshnyaya torgovlya SSSR.*
[24]Ibid.

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sales to the USSR, in particular, such industrial process equipment as numerically-controlled machine tools and lathes, fall outside joint project requirements. Moreover, the fact that the average price of Japanese machine tools sold to the USSR was considerably higher than of those sold elsewhere indicates that the Soviets were buying larger, more sophisticated equipment. The contrast in price is most pronounced with regard to numerically-controlled lathes, which cost the Soviet approximately 10 times the unit price paid by most of the other purchasers.[25]

But recent events indicate that Japan may have a chance to increase its exports of machine tools and industrial equipment to the Soviet Union, thereby compensating, at least in part, for the decreased sales of pipe and earthmoving equipment. The 12th Soviet Five-Year Plan has placed heavy emphasis on re-equipping existing Soviet factories, modernizing technological processes, and automating production. Since Japan is perhaps the world's leader in industrial application of machine tools, it is well-positioned to take advantage of this new trend in Soviet economic priorities. Many Japanese firms are already negotiating contracts for reequipping Soviet factories. For example, in 1985, Unitika Ltd. of Osaka finalized a contract for modernizing the Ivanovo textile factory.[26] Such contracts, however, involve smaller amounts of money than they did previously and entail more specialized equipment, the installation and assimilation of which create numerous difficulties.

Structural Defects

Numerous factors account for the recent reduction in Japanese-Soviet trade. On the Soviet export side of the equation there are at least five. First, there has been an absence of any new joint projects and long-term trade agreements since 1975. This has restricted commercial contacts, especially since the largest portion of Japanese-Soviet trade has been conducted under the umbrella of large government-to-government joint projects and funded with state-supported credits. And while it is true that in July 1985 Japan and the Soviet Union renewed their trade pact for another five years[27] covering goods as well as services and know-how, the pact falls short of Soviet expectations. The USSR had hoped for a comprehensive agreement incorporating new joint projects, financing terms, and purchasing and buy-back arrangements. But given the tremendous dynamism of international markets in the past few years, Japan is reluctant to lock itself into such long-range commitments. Consequently, the 1985 trade pact merely includes a pledge that both countries will strive to expand trade in mutually beneficial areas.

Second has been a declining demand in Japan for basic raw materials, especially energy resources. Since the oil price shocks of the mid-1970's, the Japanese economy has been largely restructured. Energy-intensive basic industries have either been scrapped or made much more energy-efficient. Today, the thrust in Japanese industry is toward high technology and services, industries that are much less resource-dependent. Moreover, a slump in construction since 1979 depressed Japanese demand for lumber.

A third factor has been falling oil and gas prices, which have allowed Japan to purchase energy resources on the spot market or through short-term contracts. Although the volume of Soviet oil exported to Japan has increased steadily since 1977, the declining price of oil has resulted in fewer export earnings for the Soviets, thus limiting their ability to purchase Japanese machinery and equipment.

Slow development has been another contributing factor. Work on BAM and the south Yakutsk coal fields has fallen several years behind schedule, as have efforts to develop copper reserves in the Udokan region. As noted earlier, initial discussions of these projects came at a time when Japan was still trying to diversify its sources of raw materials and when the political and economic climate was very favorable for expanding commerical ties. But with the shift in the structure of Japanese industrial production since then, different resources are needed today.

Finally, there has been pressure from Japan's major trading partners—the United States, Canada, Australia, and New Zealand—that it buy more raw materials and forestry resources from them. For example, not only has the Reagan administration promoted sales of US timber and forestry resources during discussions with Japanese Prime Minister Yasuhiro Nakasone, but the US Congress has also recently lifted a restriction on the sale of North Slope Alaskan oil to Japan in a further effort to reduce the trade imbalance between the two countries. Faced with an estimated US$48 billion trade surplus with the United States in 1985 and an unsympathetic and often angry US Congress, Japan has apparently cut back on its imports from the USSR in favor of imports from its major trading partners in North America and Australia.

[25]The average Soviet purchase price for numerically-controlled lathes was 158 million yen in 1983 as compared to 15.2 million yen per unit paid by American firms. Figures drawn from *Metal-working, Engineering, and Marketing* (Nagoya), September 1984, pp. 34–39.

[26]*Japan Times*, Nov. 2, 1985, p. 6.

[27]Ibid., July 26, 1985, p. 10.

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On the Soviet import side of the equation there are also a number of factors which have contributed to the recent downturn in trade, mainly by depressing Soviet ability to import machinery and equipment from Japan. For instance, since the Soviet invasion of Afghanistan, the Japanese have both canceled credits and been unwilling to provide credits to the Soviet Union at preferential interest rates. Thus, in February 1980, Japan, pressured by the US Government, canceled US$1.4 billion in credits to the Soviet Union. And in 1985, Japanese Export-Import Bank interest rates offered to the USSR ranged from 8 to 8.5 percent as compared to 6 percent given to preferred clients.[28]

Given the difficulty of obtaining cheap credits, the Soviets have turned to demanding export financing by trading houses and private companies, as well as increased countertrade measures. Currently, Soviet commercial negotiators have been demanding corporate financing for approximately 7 percent of all purchases, while countertrade (buy-back) demands are made for 50 to 100 percent of sales to the USSR.[29] Furthermore, the Soviets want counterpurchases to come in the form of manufactured goods rather than raw materials. These demands have, for the most part, been unacceptable to Japanese firms, since Soviet products are simply not marketable in Japan's sophisticated consumer market. And reselling such manufactured goods to third-party countries is cumbersome for Japan and has the potential for eroding Japanese markets in those same countries.

The fact that Japan has a growing trade surplus with the USSR also severely restricts the Soviet ability to purchase Japanese machinery and equipment. Because the ruble is not exchanged on the international monetary market, the USSR is forced to cover virtually 100 percent of its imports with other exports or credits. This trade imbalance grew particularly rapidly during 1980–82 when the Soviet Union was importing huge quantities of large-diameter pipe for the Siberian gas pipelines and heavy earthmoving equipment for the BAM project. But since 1982, it has fallen to $1.3 billion rubles, approximately 40 percent below the 1982 level.[30] While the diminishing trade imbalance is the result of a reduction in Soviet purchases of pipe, it also reflects the change in Moscow's technology import priorities, namely, its turn toward the Western European rather than Japanese market as its primary source of machinery and equipment. Soviet foreign trade officials have been encouraged to purchase technology and equipment from West Germany, Finland, Italy, and France by the fact that the USSR now has a trade surplus with those countries thanks to their purchases of Soviet gas.[31]

In the past decade, the Japanese have been aggressively pursuing commercial relations with China as an alternative to the Soviet market and as another source of raw materials. In 1985, Sino-Japanese trade totaled $12 billion—approximately three times the level of Japanese-Soviet trade.[32] Furthermore, Japan has granted more than 10 times the amount of credits to China than it extended to the USSR.[33] The preferential treatment accorded the Chinese has sparked some resentment among Soviet trade officials.

Finally, economic sanctions and stiffer Consultative Group-Coordinating Committee (CoCom) controls have restricted the volume of Soviet technology imports from Japan and other Western nations. More than any other member of the CoCom, Japan has exhibited support for the US embargo on exports to the USSR following the Soviet invasion of Afghanistan. Although Japanese-Soviet trade recovered in 1981, Japan began to lose contracts to its competitors—France, Britain, West Germany, and Italy who did not observe that embargo.[34] Today, the official Japanese trade policy vis-à-vis the USSR remains cautious and conservative, reflecting both the inherent caution of the Nakasone government with respect to the USSR and a reluctance to deviate too radically from the trade posture of the United States.

Future Prospects

Contrary to Soviet expectations, the future of Japanese-Soviet trade remains less than rosy. Still, while it

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[28]Hiroshi Oda, "Problems of Japanese-Soviet Economic Relations," in *Review of Socialist Law* (Leiden), Vol. 11, 1985, p. 114.

[29]On the basis of consultations in Tokyo on March 3–4, 1986, with officials of Kanematsu-Gosho, Ltd.; Nissho Iwai, Corp.; and SOTOBO. Countertrade demands vary widely depending on the degree of competition with West European companies. Where there is strong competition for a contract, the Soviets press for more countertrade or company financing. When a piece of equipment is badly needed by the Soviets and there is little competition, Soviet officials do not demand countertrade.

[30]Compare the statistics in *Vneshnyaya torgovlya SSSR* for the years 1982 and 1985.

[31]In 1983, the USSR's trade surpluses amounted to US$2 billion with Italy, US$932 million with France, US$742 million with Britain, and US$703 million with West Germany. Cited in Katsuhiro Miyamoto, "Soviet-Japanese Trade Relations," paper presented to the Third World Congress on Soviet and East European Studies, Washington, DC, Oct. 30–Nov.4, 1985.

[32]Cited in Dienes, loc. cit., p. 514.

[33]*Moscow News* (Moscow), No. 41, 1984, p. 6.

[34]The CoCom member nations did not feel obliged to support the US embargo following the Soviet invasion of Afghanistan because the embargo was imposed for reasons of foreign policy rather than national security. In fact, as US trade with the USSR fell by more than 60 percent, French and German trade with the Soviets increased by 23 and 20 percent respectively. See, John M. Geddes, "European Trade with the Soviets Rose Last Year" in *The Wall Street Journal* (New York), Mar. 5, 1981, p. 1.

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is increasingly apparent that the optimism of the 1970's about the prospects for rapidly expanding bilateral trade and commercial cooperation was not fully justified, there may be room for incremental shifts and increases in selected sectors of Japanese-Soviet trade in the years ahead. For example, in 1985, Japanese manufacturers received Soviet inquiries for more than US$225 million in automobile production equipment.[35] Officials of Nissho Iwai reported in early 1986 that Soviet inquiries for steel-rolling machinery were fewer than in the past, but that Soviet trade officials had expressed interest in equipment for consumer goods industries.[36] The Soviets have also proposed several joint ventures for the manufacture of agricultural equipment, as well as television sets and other consumer items.[37]

If the four new Japanese-Soviet chemical projects currently under discussion are formalized,[38] Japanese sales of chemical equipment are also likely to grow in the future. One of the projects, estimated to total US$1.8 billion, calls for the Japanese to sell production technology for the manufacture of polyester fiber. The other three projects are for undisclosed products. Former Minister of International Trade and Industry, Keijiro Murata, is quoted as having said in October 1985 that the Japanese government would be willing to provide low-interest loans for these four projects.[39]

There is also potential for expansion by Japanese firms into the Soviet computer market. In 1985, CoCom lifted controls on 8-bit computers, opening up the Soviet market for a potentially large number of industrial process and office computer systems. Taking advantage of this development, Star Micronics signed a contract in July 1985 for the sale of 104,000 computers and printers to be used in Soviet schools. The contract was reported to be for 300 million yen.[40]

There is also a trend toward more Soviet purchases of other types of high-technology equipment. For example, in October 1985, Kawasaki Heavy Industries, Ltd., concluded a 200-million-yen deal for the sale of 12 vibrating machines used in the production of industrial ceramics.[41]

Nevertheless, all of these deals, with the possible exception of the chemical projects, involve much smaller investments than did the joint projects and the sales of turnkey plants that dominated Japanese-Soviet commercial relations in the 1970's. The projects most likely to entail large sums of money and to require financing by the Japan Export-Import Bank, as well as comprise countertrade and buy-back arrangements, are those involving the development of copper reserves in Udokan, asbestos at Molodezhnyy, and the construction of several steel mills in the Far Eastern district. Japanese businessmen continue to be interested in these projects, but they are apparently moving with caution.

One of several reasons for the caution has been the emergence of differences in mid-1986 over the Sakhalin Liquified Natural Gas (LNG) Project.[42] Under the terms of the project, Japan was scheduled to import 3 million tons of LNG per year for 20 years, beginning in the early 1990's. Soviet delays in completing feasibility studies and the sharp drop in oil prices on the spot market, however, prompted the consortium of Japanese electric power companies to arrange the necessary imports of LNG through the latter half of the 1990's from other sources. Negotiations to resolve the differences have been adversely affected by the rapid appreciation of the yen in late 1985 and early 1986.

Improved Japanese-Soviet commercial relations were also hampered in 1985 and early 1986 by Soviet intransigence on a fishing accord. In contrast to previous years, when Japanese fishermen were permitted to fish within Soviet territorial waters even in the absence of an agreement, the Soviets withdrew their permission in 1985–86. This resulted in economic hardship for fishermen on Hokkaido and the northern portion of Honshu and strained political relations at a time when Soviet Foreign Minister Eduard Shevardnadze was visiting Tokyo as part of a Soviet attempt to rebuild relations with Japan. The impasse over fishing privileges has combined with the hardening of the Soviet stance on the disputed Northern Territories[43] to create a significant obstacle to future trade expansion.

While many Japanese businessmen feel that trade with the USSR "should be increased" above the current level of 2 percent of total Japanese trade,[44] they nevertheless note that economic factors, together

[35] *Japan Times*, Nov. 22, 1985, p. 7.
[36] On the basis of consultations with officials of Nissho Iwai, Corp., in Tokyo, Mar. 3, 1986.
[37] *Japan Times*, Aug. 3, 1985, p. 8.
[38] Ibid., Oct. 5, 1985, p. 7.
[39] Ibid.
[40] Ibid., July 27, 1985, p. 6.
[41] Ibid., Oct. 10, 1985, p. 6.
[42] Ibid., Nov. 22, 1985, p. 7.
[43] The Northern Territories consisting of four islands off the coast of Hokkaido were occupied by the Soviet Union at the end of World War II and since then have been a source of constant friction between Japan and the USSR and a stumbling block to improved relations.
[44] It should be noted here that, although the increase in total trade turnover between Japan and the USSR from 1 percent of the total Japanese trade in the mid-1960's to 2 percent in the mid-1980's seems insubstantial, the doubling of the volume of trade actually represents a sizeable increase in absolute numbers. One must remember that the Japanese economy expanded rapidly during this period.

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with what they see as Soviet inflexiblity and high-handedness, make it unlikely that Japanese-Soviet trade will expand significantly during the next decade.[45] Several officials have observed that the Chinese are far more cooperative, flexible, and business-like in their dealings with Japanese firms.[46]

Perhaps even more telling, the Gorbachev regime has not significantly moderated its economic policies toward Japan; rather it appears to have continued on the same course set by its predecessors. Indeed, Soviet General Secretary Mikhail Gorbachev's emphasis on reequipping industries west of the Urals, his opposition to new large-scale development projects in Siberia and the Far East, and his unwillingness to compromise on such issues as the Northern Territories and fishing rights, do not bode well for the future of Japanese-Soviet trade.

[45]Based on consultations with officials of Nissho Iwai, Corp.; Kanematsu-Gosho, SOTOBO, Keidanren, and the South Yakutsk Coal Development Cooperation Co., Ltd., Tokyo, Mar. 3–5, 1986.
[46]Ibid.

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Books

Whither Gorbachev?

Albrecht E. Martiny

MIKHAIL S. GORBACHEV.
A Time for Peace. New York, Richardson & Steirman, 1985.

THOMAS G. BUTSON.
Gorbachev: A Biography.
Briarcliff Manor, NY, Stein & Day, 1985.

CHRISTIAN SCHMIDT-HÄUER.
Michail Gorbatschow: Moskau im Aufbruch (Mikhail Gorbachev. Radical Change in Moscow). Munich/Zürich, Piper Verlag, 1985; expanded and revised edition, 1986. Trans. as *Gorbachev. The Path to Power*. London, I. B. Tauris & Co Ltd, 1986.

NIKOLAI POLJANSKI and ALEXANDER RAHR.
Gorbatschjow: Der Neue Mann (Gorbachev: the New Man).
Munich, Verlag Universitas, 1986.

ZHORES A. MEDVEDEV.
Gorbachev. New York and London, W.W. Norton, 1986.

WILL Mikhail Gorbachev, the new general secretary of the Communist Party of the Soviet Union, introduce merely a new style of exercising power, show a "nice smile" that conceals a "bite of steel," as Andrey Gromyko commented when Gorbachev was being elected to succeed Konstantin Chernenko? Is the new man on the gigantic but rusty battleship *USSR* merely thinking of applying a new coat of paint or does he also want to undertake repairs? Is he perhaps going to steer the ship in an entirely new direction? Or does he plan and indeed find himself forced to tackle all these things at once? Will Gorbachev take his cue from the programmatic statement of his mentor Yuriy Andropov who, on becoming the new general secretary in late 1982, openly admitted that he did not yet have the recipe for the requisite changes, and that experiments would need to be undertaken?

What is Gorbachev's view of the Soviet past, in particular of Stalin's legacy? According to reliable sources, Gorbachev personally opposed changing the name of Volgograd back to Stalingrad; other sources, no less trustworthy, tell of Gorbachev's involvement in the anti-Semitic campaigns of the late Stalin era when he was a young Komsomol secretary at the law school of Moscow State University.

What forces of spontaneity must Gorbachev release, and how much freedom must he give them, in order to effect the precise degree of change necessary to eliminate deficiencies in the economy, in politics, in society, and in culture without destabilizing the ruling system as such? Is the General Secretary's power base strong enough to enable him to undertake radical reforms? Is a new relationship possible between East and West? What weight in the relationship does Gorbachev assign to the United States, Western Europe, China, or Japan? Are substantive arms control agreements attainable under existing international conditions? What voice will the Soviet military have in arms control negotiations and in the resolution of the Afghanistan war? In early 1984, toward the end of the Andropov reign, Western journalists in Moscow were talking seriously about an imminent military dictatorship; does this threat still exist? These are only some of the questions that were being asked as Gorbachev was elected general secretary on March 11, 1985.

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Leadership changes in the Kremlin have always fascinated the Western public. The thirst for Kremlin biographies arises not only from the Soviet Union's status as a superpower but also from the widespread perception that Soviet leaders are particularly powerful autocrats. The Western public assumes that familiarity with the life history of the "Kremlin rulers" will provide a key to understanding Soviet policy. It is therefore not surprising that writers race to publish first the best-informed biography of the new general secretary. Four biographies of Gorbachev are already out, three of which are quite comprehensive.

But there is more than idle curiosity to the interest in the top man in the Kremlin. As a matter of fact, a change of political direction has usually followed a leadership change in the USSR. Stalin's rise after the death of Lenin had far-reaching consequences. It led to the "provincialization" and dogmatization of the Bolshevik revolution, and to the physical annihilation of the old Bolsheviks. Similarly, the transition from Stalin (via Georgiy Malenkov) to Nikita Khrushchev marked a significant change of direction leading to a facing up to the "cult of personality and its consequences" in the economic, political, and historical-moral spheres.

The transition from Khrushchev to Brezhnev brought much less change. With continuity inscribed on its banner, the Brezhnev era ended up in the stagnation of what once again became a very personal style of rule. Despite substantial successes in foreign and armaments policy during the 1970's, the nearly 20-year-long Brezhnev period left unresolved, and indeed compounded, so many problems—particularly in domestic policy and the economy—that expectations mounted both in the Soviet Union and abroad for a "change in direction" when Andropov took over. Economic reform, educational reform, a different social policy, and a new leadership style, along with changes in media policy, were the underlying serious issues in the campaigns that first came to public attention under the slogans of "restoring discipline" and "combatting alcoholism."

But as Andropov's chronic illnesses became debilitating in 1983, it became clear that he was only a transitional leader. It was also obvious that, simply by virtue of age, Konstantin Chernenko or Viktor Grishin could only serve as transitional general secretaries; the leading role had to fall sooner rather than later to one of the younger Politburo members, either Grigoriy Romanov or Gorbachev. Thus biographers had time to muster their data since 1983 at the latest.

The strong Western interest in Kremlin biographies is in inverse proportion to the sparseness of sources. The traditional concept of "collective" leadership and the closed nature of the *nomenklatura* (ruling elite) are obstacles to the publication of personal data on individual political leaders. This situation is not as applicable to Gorbachev, because his political career had taken him abroad relatively early and often. He visited Belgium in 1972 as a mere member of the Central Committee of the CPSU, the Federal Republic of Germany in 1975, France in 1976, and later also Czechoslovakia (1979), Canada and Portugal (1983), and Great Britain in December 1984. Gorbachev's open manner vis-à-vis the media has provided important insights to biographers. Probably no less important is the opening up of Soviet society that has taken place since Stalin's death. The greatly increased Soviet external contacts have broadened the base for biographical research. In addition, Soviet information policy changed under Andropov: it now endeavors to exercise an active influence on the "image" of Soviet leaders, especially on their image abroad.

WHAT portrait of Gorbachev does the *official* biography paint? It tells us that "Mikhail Gorbachev's natural gifts and inquiring mind, his self-discipline and energy, and his love of the land stood out even in childhood . . . . In many respects his life is typical of an entire generation of Soviet communists who make up the nucleus of the party." We know from Soviet sources that Gorbachev was born in 1931 in Stavropol' territory, a traditionally important grain-growing area. His forefathers were peasants: his grandfather was the founder and head of a kolkhoz; his father was a party member and a soldier in the Great Patriotic War (World War II). At the age of 18, Gorbachev was given the much-sought-after Order of the Red Banner of Labor. He attained a silver medal in secondary school, received a degree in jurisprudence from Moscow State University, and later studied agronomy. Since early youth, Gorbachev was interested in social and political issues, the official biography tells us. Conceptual originality, eagerness to learn, and openness predestined him for a political career. At age 21 (1952), he joined the CPSU; in Moscow and Stavropol' he initially held positions in the Communist Youth League (Komsomol). At age 30, he was elected a delegate to the 1961 CPSU Congress. In 1970, Gorbachev became first secretary of the Stavropol' territory party committee; in 1971, he became a member of the CPSU Central Committee; in 1978, he was appointed a secretary of the Central Committee Secretariat, and in 1980 he became a member of the Politburo.

Gorbachev's political career gave him experience in solving complex

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production problems; he always gave special consideration to the social aspects of production problems. His interests are broad: in addition to literature and theater, they also include law and art. He travels a great deal—inside the country, but also abroad. He is a party leader in the Leninist mold: collective leadership, analytical strength, closeness to the people, consistency in pursuing a set political course, historical awareness, etc., etc., characterize Gorbachev. His report to the April 1985 Central Committee plenum marked the initiation of a period of qualitative change in Soviet society. His wife, Raisa, has a philosophy degree from Moscow State University, where she is still active in a research capacity; their daughter and son-in-law are physicians.

This is a brief sketch of the official picture that was appended to a collection of Gorbachev's speeches published in the United States under the title *A Time for Peace*. For the Western general reader, this is not a particularly three-dimensional picture. But it is a biography that —if we leave out the information about Gorbachev's wife and daughter— largely corresponds to the picture that is being publicly disseminated in the Soviet Union.

What the official biography lacks above all is information on the formative experiences of Gorbachev's childhood and youth, any explanation of his rapid rise in the party hierarchy, particulars on his activities and supporters and his position on the "mountain-climbing team" (the patron-protégé ties), as well as the substance of the "qualitative change" that he wants to achieve domestically and in foreign relations. But we also find no information on his attitude toward the fundamental developments in recent Soviet history; it would be especially interesting to know about his views on Stalinism and "the cult of personality," and not only for the sake of the foreign audience. What information on these points do Gorbachev's biographers in the West offer?

SHORTLY after Gorbachev's election to the general secretaryship in March 1985, the first biography appeared on the American market. It was the work of a historian and journalist for *The New York Times*, the New Zealander Thomas Butson. His analysis of Gorbachev's rise is based on the information available in early 1985. Butson wanted "to explain why, seemingly out of nowhere, a radically different kind of Soviet leader has emerged." He relies primarily on accounts and interviews given by Soviet émigrés, and on Western observers of Gorbachev during his trips to the West.

Butson sees Gorbachev as a new type of Soviet leader, a representative of the generation that was too young to be marked by the Stalinist collectivization and industrialization drives and by the horrors of the German occupation during World War II—a questionable assumption. This generation, according to Butson, is oriented less toward a heroic past than (because of its substantially better formal education) toward issues of the future and—in the technical sense—toward problem-solving. Butson is certainly correct in noting that Andropov, Mikhail Suslov, and Fedor Kulakov played prominent roles in Gorbachev's career, and in emphasizing the activist and positive attitude that Gorbachev has toward the media, particularly television. Anyone who has watched Moscow television from 1984 to 1986 and read the press can confirm this.

But Butson's book is essentially a compilation of the impressions that Gorbachev created on his trips to the West. We find here Prime Minister Margaret Thatcher's famous remark ("I like Mr. Gorbachev; we can do business together") and similar observations. It is obvious that the author did not consult Russian-language sources.

WHEN it first appeared in June 1985, the book by Christian Schmidt-Häuer was a journalistic "snapshot" like Butson's. To be sure, Schmidt-Häuer updated it for the English-speaking market (January 1986) and in March 1986 he brought out a completely revised and expanded German edition. This later version incorporates much more material (including Russian-language material) than Butson's book. It is also more substantive because Schmidt-Häuer had time to take account of the important personnel decisions in 1985 (for example, the fall of Romanov; the appointments of Eduard Shevardnadze as foreign minister, of Nikolay Ryzhkov as prime minister, and of Nikolay Talyzin as head of the State Planning Committee [Gosplan]; the replacement of Grishin by Boris Yel'tsin in Moscow) and even developments at the 27th Party Congress.

Schmidt-Häuer has had years of experience in the Soviet Union as foreign correspondent for *Die Zeit*, and he keeps it fresh through regular visits to Moscow. His intimate contact with Soviet reality has benefited the biography. A broad information base and much experience in analyzing Soviet politics are among his strengths. Moreover, Schmidt-Häuer always differentiates clearly between his speculations and his substantiated judgments.

Although his analysis is quite down-to-earth, the biography is permeated by Schmidt-Häuer's optimistic assessment of Gorbachev's prospects. His optimism was shared by many Western journalists and observers, as well as by many Soviet citizens who saw a "new age"

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dawning with the end of the Brezhnev era. The media (particularly television), the public debates, the theater, cinema, and literature all have been changed, broadened, and thematically enriched to such an extent that a positive, optimistic view would appear to be justified.

One must keep his underlying assessment in mind if one wishes to understand Schmidt-Häuer's comparisons in the biography. In discussing the various kinds of reform and their prospects for success from a historical perspective, Schmidt-Häuer goes back for analogies to the great Russian reformers (Peter the Great and Catherine II in the 18th century, the two Alexanders in the 19th, and Pyotr Stolypin in the early 20th). There is no doubt that such historical analogies were being discussed, not only among the Soviet intelligentsia but also among the political elite. And the direct confrontation with top officials in the bureaucracy that took place soon after the new General Secretary had established himself was in fact reminiscent of the famous cutting off of the beards of Muscovite boyars by Peter the Great.

Nevertheless, such comparisons make one involuntarily skeptical about the outlook for the implementation of Gorbachev's political plans. Can the short shrift given to the top bureaucracy at meetings in Leningrad and Moscow in the early summer of 1985 be put to productive use? Must not—on the contrary—the deep cuts in personnel have a counterproductive effect? One need only think of the approximately 10,000 dismissals in the affected ministries when the new superagency for agricultural policy, Gosagroprom, was formed. The reorganization of the entire foreign-trade apparatus may have even more lasting deleterious repercussions because it has profoundly upset that important bureaucracy.

The course of the 27th CPSU Congress, however, and especially the crisis management of the nuclear disaster in Ukraine (Schmidt-Häuer's book appeared before the Chernobyl' accident) have fostered a more sober attitude. Much of the zest of the initial months under Gorbachev has disappeared. The passionate debates about the significance of the change from Brezhnev to Gorbachev, which were waged among intellectuals in Moscow in the summer of 1985, have given way to something of a wait-and-see attitude. The taming of the media and the limits on the promised "openness" (*glasnost'*) are probably the most visible indicators of a "normalizing" of conditions under the new General Secretary. The fascination is ebbing even abroad. At the same time, developments in cultural policy, to give one example, are only in the initial stages, with some new initiatives taken in theater and film. In is quite impossible at this time to predict how this particular stage will evolve.

Schmidt-Häuer's book is marked by the exhilaration of a new beginning and openness that prevailed when the book was written. Former Swedish Prime Minister Tage Erlander once said that the real problems only begin after the revolutionary overthrow. This maxim may be even more applicable to Gorbachev, whose coming to power was *not* preceded by a revolutionary overthrow. In itself, cutting off beards accomplishes little. In saying this, I do not mean to contest Schmidt-Häuer's judgments. It may in fact turn out that a new era began with Gorbachev. But this still remains an open question. For instance, is the establishment of Yefim Klimov at the head of the cinema association or the much-heralded showing—undoubtedly connected with his appointment—of the anti-Stalin and anti-dictatorship film by Tengiz Abuladze, "Repentance" (*Pokayaniye*) a sign of a new view of things? Or, to turn to foreign policy, how broad is the consensus on which Gorbachev can count if he undertakes new policies that involve painful concessions to China or to Japan, or on Afghanistan?

Among the special merits of Schmidt-Häuer's book is his study of the "new men behind Gorbachev." To be sure, this section reveals that the conspicuous change in personnel at the top of the Soviet political class has in no way led to a unanimous alignment with the new General Secretary. Gorbachev's position is obviously not yet as strong as Schmidt-Häuer and other Western observers think. It is not "his" clients who have taken over the top positions in the party and state bureaucracy. Yegor Ligachev, Nikolay Ryzhkov, Viktor Chebrikov, Vitaliy Vorotnikov, and Geydar Aliyev owe the breakthrough in their political careers to Andropov, not to Gorbachev. They might have a sui generis relationship with this colleague who after all still is the "youngest" among them. It may be that these appointments portend a reduction in the importance of "mountain-climbing teams" in Soviet politics over the next few years.

At any rate, Gorbachev is in the process of draining completely the personnel-policy swamp of the late Brezhnev years, but the ways of dismissing officials have obviously become more civilized. It is a long way from top politicians being shot under Stalin, to being exiled or ostracized under Brezhnev, to merely being pensioned off, and the last marks an advance for Soviet political culture.

THE AUTHORS of *Gorbachev, the New Man*, Nikolai Poljanski and Alexander Rahr, divided the work on the biography between them. As a result, the book suffers from many

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repetitions. Nevertheless, this work includes what is probably the best-researched curriculum vitae of Gorbachev available—by Rahr. Rahr delves as thoroughly into the impact of the German occupation of the northern Caucasus in 1942-43 on the 11-year-old Gorbachev as he does into the internalization by him of the bloody suppression of the 1962 uprising in Novocherkassk, in the immediate vicinity of Stavropol', or into the effect on Gorbachev's mind-set of the fact that Gorbachev was first-time delegate to the 22rd CPSU Congress of 1961, and thus an eyewitness of the culminating point of de-Stalinization.

On the basis of their analysis of Gorbachev's power base and program, Poljanski and Rahr hazard an assessment of the future political course: economic reform within a pre-determined centralized framework (the debates over joint ventures and the recent reforms of the foreign trade apparatus bear out this assessment); a harsher persecution of political opponents; a tighter leash on the East European allies; an active arms control policy; a relaxation of controls in the cultural sphere and perhaps even over the Russian Orthodox church; and a focus on the United States in foreign policy. This comprehensive assessment is commendable, but more time is needed to judge whether it will hold up.

ZHORES MEDVEDEV'S *Gorbachev* is the most recent biography of the General Secretary. The well-known author, who was deprived of his Soviet citizenship and exiled in 1973, has developed a lively publicistic activity during his years in the West that extends beyond his field of expertise in biology and genetics. Thus, he has written books not only on Trofim Lysenko, whose genetic theories had the stamp of orthodoxy under Stalin, but on Aleksander Solzhenitsyn, on the 1958 nuclear accident at Kyshtym, and a biography of Andropov.

Thanks to his contact with his twin brother Roy, the modern historian (who remains in Moscow), Zhores Medvedev has been able to stay in close touch with current developments in the Soviet Union. Thus, the picture that he sketches of the present situation there can claim to be accurate and true to life. This applies particularly to his portrayal of the political leadership. His description suggests that the General Secretary's power base is still far from consolidated.

Medvedev's familiarity with the political milieu in Moscow gives him a great advantage in writing about Gorbachev. He is very knowledgeable about Soviet agricultural policy since he dealt with this subject in depth in his critique of Lysenko. In fact, the discussion of agricultural policy and its significance for Gorbachev's career is undoubtedly one of the best parts of the book. Zhores Medvedev is also familiar with Soviet nuclear technology since he worked for a time in a Moscow research institute dealing with that field and later researched the nuclear accident at Kyshtym. His analysis of the Chernobyl' disaster is therefore particularly worth reading. Finally, Medvedev is familiar with Gorbachev's immediate political home territory because he, too, is a native of the Caucasus and grew up in Rostov.

In spite of all these advantages, Zhores Medvedev frequently crosses over into speculation in his analysis of domestic politics. This is especially evident in his description of the election of Gorbachev in the first chapter, but it happens elsewhere, for example, when he makes the unsupported assertion that Central Committee Secretary Anatoliy Dobrynin has greater influence on Soviet foreign policy than does Foreign Minister Shevardnadze.

Since there is still uncertainty about Gorbachev's basic beliefs and intentions, Medvedev's analysis of the changes since Gorbachev took office acquires particular significance. According to him, Gorbachev has not been successful in any of the policy fields in which he has engaged himself. Medvedev ascribes this lack of success to a hesitant approach on the part of Gorbachev, which, in Medvedev's view, encourages a regrouping on the part of "conservative-dogmatic" forces. Thus, Medvedev sees the 27th CPSU Congress as a missed opportunity, and the management of the Chernobyl' accident as a great defeat for the principle of openness (*glasnost'*) proclaimed by Gorbachev.

The inconsistencies in Medvedev's assessment of the General Secretary stem from the contradiction between Medvedev's sober view of the limitations imposed by the system and his simultaneous harboring of great hopes that a lasting "liberalization" and "democratization" of the USSR is possible.

IF WE ASK whether the biographies reviewed here have painted a finished portrait of the political personality of the General Secretary of the CPSU, then the answer is that none of the authors has been able to pinpoint which influences in childhood, youth, or career were decisive for Gorbachev or to uncover what his political values really are. In this area, the authors rely on conjecture. This is as understandable as it is disappointing.

Basically, all the Gorbachev biographies are more or less successful studies of contemporary history, that is, analyses of the current situation in the Soviet Union with different emphases placed on the same factual material. For this reason, they are not genuine biographies.

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For purposes of depicting the personality of Gorbachev there is very little material that is as reliable as the testimony of the Czech reform politician of 1968, Zdenek Mlynář, who lived in the same dormitory with Gorbachev while both were students in Moscow in the early 1950's. According to him, Gorbachev was an extraordinarily energetic, single-minded, and power-conscious man who also was flexible and extremely eager to learn. He had great rhetorical talent but was also an attentive listener. Above all, Mlynář remembers a young student who was capable of having critical original thoughts at that time. To be sure, we should not forget that this reminiscence is about a 23-year-old youth.

Although we know very little about Gorbachev's character and personality, there are a few things which we can say about him with confidence. His selection represents a return to the top of the Kremlin of a level of formal education not encountered since Lenin. Gorbachev has a pronounced need for popular reinforcement of his rule. He has a "can do" technocratic approach that gives priority to effectiveness and rationality. Along with these traits, Gorbachev has an instinct for power that has been honed over the years and a gift for utilizing the modern mass communications media in the promotion of his political goals.

Meanwhile, it is quite apparent that substantial changes have been carried out in several areas. This is especially evident in cultural, youth, and media policy, where something like a release of initiative and ideas and a critical reexamination of old assumptions has been set in motion. Less clear is the direction in economic policy, where—with the exception of the reform of Gosplan and the continuation and expansion of the "great economic experiment"—no breakthroughs in new directions appear to have succeeded as yet. Undoubtedly significant are the personnel changes at the top. Personal careers are in a state of flux unseen since the 1930's. Remuneration of labor, that is, the distribution of income is being reviewed (especially in the technological, medical, and pedagogical professions). And last but not least, bureaucratic apparatuses are being turned topsy turvy. The monopoly of foreign trade, for example, is being redefined. A shift of decision-making power from the center to officials with immediate responsibility for production is reportedly on the drawing board. The taboo against the formation of East-West joint venture companies is finally being lifted.

In foreign policy—here Schmidt-Häuer's analysis is probably the best—not much has changed yet. For the time being, the same cards are being reshuffled. Not everything that seems new to the West is really new: the revision of the China policy was already introduced toward the end of Brezhnev's rule; the Japan policy has merely shed some superfluous and self-made obstacles. The policies toward Western Europe and the United States as well, in spite of intensive efforts to forge new initiatives, are—without "encouragement" from the West—threatening to sink back into the same old rut. Nevertheless, the Reykjavik summit meeting and the "untying" in January 1987 of the disarmament "package" discussed at Reykjavik show that Gorbachev is serious about getting movement on foreign policy. The removal of Babrak Karmal in Afghanistan also signals change. However, each new initiative calls forth new forces of opposition. This was evident, for example, when Gorbachev launched the "democratization" slogan at the January 1987 Central Committee plenum. It met with great reservations not only in the Soviet Union but also in Eastern Europe.

The direction in which Gorbachev wants to go has became clearer as a result of his address to the congress of the Soviet Writers' Union, the "de-exiling" of Andrey Sakharov, and the granting of amnesty to scores of dissidents. Less clear is who supports Gorbachev's course or how solid the consensus for it is.

All four biographers of Gorbachev are in agreement that this general secretary represents a turning point in Soviet development. This is certainly true insofar as Soviet society has accumulated a massive need for modernization. Yet, the question remains whether any general secretary of the CPSU—however sure he may be of his power position—will succeed in channeling, shaping, and mastering the process of radical change. Biographers tend to overestimate the role of the individual in history—even if they know little about their protagonist, as is true in the case of M. S. Gorbachev.

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Strategic Defense and Arms Control

Joyce P. Kaufman

CHRISTOPH BERTRAM, Ed. *The Future of Strategic Deterrence*. Hamden, CT, Archon Books, 1981.

PHILIP TOWLE. *Arms Control and East-West Relations*. New York, St. Martin's Press, 1983.

RICHARD F. STAAR, Ed. *Arms Control: Myth versus Reality*. Stanford, CA, Hoover Institution Press, 1984.

ANDREW J. PIERRE, Ed. *Nuclear Weapons in Europe*. New York, Council on Foreign Relations, 1984.

P. EDWARD HALEY, DAVID M. KEITHLY, and JACK MERRITT, Eds. *Nuclear Strategy, Arms Control, and the Future*. Boulder, CO, Westview Press, 1985.

EVER SINCE the signing of the Limited Test Ban Treaty (LTBT) in 1963, the first major agreement to address some aspects of the development of nuclear weapons, arms control has been an important barometer of US-Soviet relations. But arms control has not merely reflected the predominant political and military climate; it has, in turn, actually contributed to redefining that environment. Indeed, militarily, by setting limits on the numbers and types of weapon systems, arms control negotiations can dramatically alter the security environment of the future; politically, the arms control process can help foster a cooperative course in other areas.

In retrospect, the LTBT was very much a product of the climate of cooperation between the United States and the Soviet Union emerging at that time. Also of critical importance were the perception of political equality between the two superpowers, advances in technology that obviated objections over inadequate means of verification, and domestic pressures—at least within the United States—for such an agreement. In addition, the treaty was perceived to be politically beneficial to both states, and of very little military cost to either party.

The SALT I agreement, signed in 1972, extended the cooperative relationship initiated in the previous decade. Even against the backdrop of the war in Vietnam, relations between the two superpowers remained on the whole civil. Domestic pressures, the Nixon administration's conviction that there was a need to try to achieve a "global balance," and the US perception of its qualitative strategic superiority, if not numerical advantage, all gave impetus to signing the treaty. Despite some skepticism in the US Congress and some domestic opposition, SALT I was signed and ratified with relative ease.

By the time SALT II was signed in June 1979, the political and military environment had changed considerably. The USSR's foreign policy during the mid-1970's increasingly alarmed many in the United States. Indeed, the clash of US and Soviet interests during the Arab-Israeli War of October 1973 and the Soviet and Cuban involvement in Third World conflicts came to be perceived as a repudiation of the earlier basis for US-Soviet détente. Finally, the Soviet Union's efforts to affect directly the outcome of the 1975 Angolan civil war and its subsequent participation in the conflict between Ethiopia and Somalia raised difficult questions for American political leaders concerning "linkage." All these events had direct repercus-

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sions on the arms control negotiation process.

At the same time, the increased numbers and advanced technology of many new Soviet weapons systems worried a number of those in the US policy-making community who felt that the United States was ill-prepared to meet what was perceived as a growing Soviet military challenge. Furthermore, to many, the challenge presented by the advances in Soviet capabilities seemed to stem, at least in part, from the asymmetries and ambiguities codified in SALT I.

The nonratification of the SALT II agreement, after it was signed by the political leaders of both nations, was an unprecedented political event. But the changes in the US-Soviet political and military environment affected not only SALT II, but also the arms control process as a whole. As each superpower sought to maximize its own security, a plethora of questions emerged as to whether arms control was the most effective way to achieve security, given the emerging political and military realities.

To some extent, it was these changes in the environment that the Reagan administration confronted when it took office in January 1981. Elected in part on the promise to build up the nation's defenses, a process begun under the Carter administration, President Ronald Reagan had also pledged to pursue arms control, despite what he saw as serious flaws in the previous agreements. He thus promised that he would continue to seek a strategic arms agreement, but one that would meet his standards. He insisted that arms control should not come at the expense of the security of the United States or its allies.

The Reagan administration was soon confronted with a fundamental dilemma: how to keep the commitment to arms control negotiations, seen by many members of the US Congress as a necessity and an integral part of the NATO dual-track decision of December 1979,[1] while at the same time building up defenses that the Reagan administration felt had deteriorated seriously relative to the Soviet Union. To this was added another basic issue: how to reconcile the skepticism of many in the administration regarding the utility of arms control agreements in general—especially given the uncertainty of leadership succession in the Soviet Union—while simultaneously satisfying the demands of many political leaders, both at home and abroad, who linked security to arms control negotiations.

EVEN this cursory examination of the course of arms control suggests the dynamic nature of the process and raises one of the fundamental problems facing all specialists on arms control: virtually any piece written on the subject, with the exception of explicitly historical works, is out-dated almost by the time it is published. Small wonder, then, that the single flaw shared by all five books reviewed in this essay is precisely that of being dated. Although the concepts and underlying principles discussed in these books remain on the whole relevant, the specifics regarding many of the substantive issues are far different today than they were at the time when these volumes were written.

This is not to say, however, that these books should be dismissed. They do raise a number of pertinent issues that are as valid today as they were at any given point in the history of US-Soviet arms control relations. What is more, they bring to our attention the fact that arms control and strategic defense issues, although negotiated primarily by the two superpowers, in reality are of global concern because they affect the intricate balance of the entire system of international relations and security.

Chronologically, *The Future of Strategic Deterrence,* edited by Christoph Bertram, then the director of the International Institute for Strategic Studies (IISS), is the oldest of the five volumes, having been published in 1981. Consisting of a collection of papers originally prepared for the annual conference of the IISS in 1979, this book has a host of distinguished contributors, among them Hedley Bull, McGeorge Bundy, and Lawrence Freedman. The central theme around which all the papers are arrayed is the need to reexamine the concept of strategic deterrence within the context of a changing political, military, and technological environment.

In his introduction, Bertram notes that, despite the ever-increasing complexity of the international system, deterrence continues to be bipolar. Speculating as to whether the bipolar character of deterrence could change in the future, he argues that such change is possible, particularly at what he calls "the periphery of deterrence" or the regions beyond the United States and the Soviet Union where the relevance and utility of nuclear forces can be examined "for other than all-out con-

[1] In December 1979, following more than two years of discussion, NATO ministers agreed to the deployment of 572 intermediate-range nuclear forces (INF) in Europe. The NATO decision called for the deployment of 464 ground launched cruise missiles (GLCMs) and 108 Pershing II ballistic missiles in five European states beginning in December 1983 if no progress was made in US-Soviet negotiations by that time. This "dual-track" approach was unique in that it explicitly linked force modernization with progress on arms control negotiations. Furthermore, it represented an effort by the NATO states to reconcile the military requirements of force modernization with the domestic political requirement for arms control.

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flicts and for threats other than those directed at the survival of either superpower" (p. 2). While his reasoning is sound and certainly well-supported by the other contributors' arguments, the fact remains that, to date, the system of bipolar deterrence remains intact and the nuclear balance continues to depend primarily on the United States and the Soviet Union.

The issues addressed in the chapters of the Bertram book are those of deterrence and defense and the role of nuclear weapons in a changing world, or more specifically, the use of nuclear weapons for warfighting versus deterrence purposes, and the need to distinguish between the military and political sides of the arms control issue. It is from this political perspective that some of the contributors approach the subjects of nuclear proliferation and of superpower involvement in the Third World—a theme that is developed in more detail in the Towle volume.

What makes Bertram's *The Future of Strategic Deterrence* uniquely valuable is that its authors treat the central theme of the book from a broader perspective than just that of US-Soviet relations. Gregory Treverton, for example, argues that the Soviet decision to build and deploy the SS–20 IRBM is directly attributable to the Soviet perception of a potential military threat from China. He suggests that Chinese, rather than European, considerations had greater impact on Soviet decisions regarding the deployment patterns for these systems. However, he concedes that since the SS–20 and the Backfire bombers could be moved from the eastern to the western part of the Soviet Union, the United States and its NATO allies should also consider them as a potential threat. Such an approach does not often appear in the vast literature on the subject. And it is significant that Treverton's is only one of several articles in this volume that focuses on arms control through a wide-angle lens by examining the role of Chinese nuclear forces in the overall strategic equation and the effect of British and French nuclear forces on the course of negotiations concerning the intermediate-range nuclear forces (INF).

Authors coming from opposite sides of the Atlantic offer different perspectives, which is all the more apparent because all of them address a common topic. The European contributors, for example, express residual doubts concerning the credibility of the US nuclear guarantee, a fear that the December 1979 NATO dual-track decision was to have allayed. One cannot help but wonder if they would again express the same feelings had they the benefit of hindsight concerning the effect of the dual-track decision.

UNLIKE the other volumes under review here, *Arms Control and East-West Relations* by Philip Towle, deputy director for International Studies at the University of Cambridge, is not an edited collection of articles. Furthermore, its author, like many British specialists, tends to view arms control from a slightly different perspective than do American specialists. Thus, his work is yet another illustration of the divergence in views and priorities of specialists from opposite sides of the Atlantic.

Towle divides his volume into three parts: "Strategies," in which he argues that wars are not simply products of arms buildups, but are symptomatic of other underlying problems between nations; "Diplomacy," in which he discusses how different national actors regard arms control in the context of their own national interests; and "Arms Control," in which he focuses on verification as the most difficult, yet clearly vital, part of arms control. The themes that he develops go far beyond just the notions of "arms control and East-West relations" suggested by the title of his book. His thesis is Clausewitzian in that he claims that the root causes of wars are political. Going one step further, he restates the old adage that war is the result of political hostility and conflicts of political interests, and not of armaments or even arms buildups.

Towle uses these three sections to develop his underlying theme that arms control is not a cure-all for East-West tensions, nor the sole means of easing them. He argues that the main danger of armed conflict between the two superpowers lies in the involvement of both parties in Third World conflicts, and specifically in their reliance on proxies to gain critical footholds in given regions. According to him, it is this indirect involvement in the Third World through arms transfers and other forms of commitment, and not a direct US-Soviet confrontation, that presents the greatest threat to global stability. Towle states: "It is not the arms race which threatens world peace but the possibility that the Great Powers might become involved in a direct confrontation because of their role in one of the numerous wars in the Third World" (p. 62). Looking at the issues from this perspective, he concludes that one of the most valuable roles arms control plays is to limit war by proxy.

Towle recognizes that tension and competition are inherent in the US-Soviet relationship. His suggestion for the most effective way to ease those tensions and the concomitant risk of war is simply to address the underlying causes of that tension. He also maintains that rivalry and competition do not necessarily have to lead to war, and he cites the historical example of US-British relations. However, the analogy between US-British and US-Soviet re-

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lations ignores the nature and extent of the long-standing differences between the Soviet Union and the United States. Moreover, Towle offers precious little in terms of concrete solutions for resolving the problems in the US-Soviet relationship.

Yet, Towle does develop some important points regarding the US-Soviet relationship, and the ways in which domestic factors have colored the attitudes of both superpowers toward arms control. Among the factors he cites is the role played by public opinion. He points out that democratic governments do periodically pursue arms control negotiations with their adversaries, but that they do so with even greater resolve when they perceive that this policy is supported by public opinion. He attributes such a reaction to the need of democratic governments to maintain consensual support for their national security policies (certainly a lesson the United States learned well during the Vietnam War). The author rightly argues that by contrast the Soviet Union can and has taken a more consistent and strategic approach to arms control because it is not swayed by the forces of public opinion. One cannot help wondering whether this still holds true today, or whether General Secretary Mikhail Gorbachev's hard push for arms control might not be due in part to domestic pressures, among them—in a very limited way—public opinion.

Finally, Towle traces a historical pattern of conflict between various countries. According to him, no two liberal democratic states[2] have gone to war with one another in the 20th century, but there have been conflicts between communist states, conflicts which have stemmed "from ideological feuds peculiar to the communist system" (p. 40). Although Towle argues that liberal democracies "have been most active in local wars," he dismisses their involvements as part of their "residual colonial commitments" (p. 40).

While his argument is interesting, Towle's conclusion is somewhat simplistic and normative. Not only has he chosen to exclude or ignore many of the conflict situations that have taken place since World War II, but he has not addressed the more ambiguous cases that cannot be explained quite so easily. For example, he does not consider the US involvement in Vietnam, or the ongoing conflict between democratic Israel and its Arab neighbors. Furthermore, Towle fails to make clear what the implications of his conclusion are for future East-West relations, for the potential of conflict between the superpowers, and for arms control in general.

THE VOLUME *Arms Control: Myth versus Reality,* edited by Richard Staar, is a collection of papers presented at a conference on arms control and negotiation at the Hoover Institution, where Staar is a senior fellow. Unlike the Bertram book, which assesses and reevaluates a number of issues surrounding the general topic of strategic deterrence, Staar's volume promotes the premise that the arms control "process itself may represent an exercise in futility since the United States has no leverage." Moreover, it advances the suggestion that "Washington educate the public with candor rather than rhetoric" (p. xi). Clearly, the assumption made by the authors of this volume is that the Soviet Union is militarily far superior to the United States in virtually all aspects of nuclear weapons, command, control, and communications, as well as in terms of manpower and defense spending. This leads them to the inevitable conclusion, summarized by Staar in the introduction, that "even if political relations between the two superpowers were improving, no equitable agreement could be reached when the balance of nuclear forces remains so markedly advantageous to one party" (p. xi).

Even though the contributors share this view, they vary in the tone with which they assert it. For example, William Van Cleave states bluntly in the opening article that "everything considered . . . arms control has been a failure" (p. 4). He supports this conclusion by arguing that, far from enhancing US national security, the SALT agreements in fact worked against it. Other authors take a more nuanced approach. Colin Gray, for example, concludes that the lessons of history indicate that progress in arms control is unlikely when East-West political relations are either bad or deteriorating, or when the balance of forces is perceived to be markedly advantageous to one party. His conclusion explains much about the successes—or lack thereof—in arms control negotiations between the two superpowers.

A second theme common to a number of papers published in this collection is that the public should be educated to comprehend better the relevant issues. The authors maintain that national will plays a critical role in democratic countries, yet European and American publics do not really understand the complexities of strategic deterrence and arms control. While certainly an important point, the authors find it difficult to arrive at specific suggestions how such an educational process could be instituted.

[2]Towle's concept of "liberal democracy" is based on the "general 'liberal' assumption" that in liberal democratic countries " human rights, democracy, and peace are in some way linked together." This assumption leads him to conclude that "in the long run liberalization may make the communists less susceptible to . . . ideological feuding, just as it has decreased the frequency of European religious wars" (Towle, p. 40.).

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On the whole, this volume offers a very cohesive body of work in support of a particular point of view. Staar probably states this view best when, after summarizing the conclusions of the contributors, he writes: "Why negotiate with an untrustworthy adversary who has never accepted international obligations as binding?" (p. xiii). This question has been asked repeatedly by critics of arms control and has been the primary stumbling block to completing a comprehensive arms control agreement thus far. Readers' reactions to this volume will be conditioned, at least in part, by the degree to which they accept the book's underlying premise. Certainly, for those interested in having some insight into and background for the policies pursued by the US government over the past six years, this volume will prove quite valuable; several of its contributors have helped to shape the Reagan administration's position on arms control.

EDITED by Andrew J. Pierre, a senior fellow at the Council on Foreign Relations, *Nuclear Weapons in Europe* focuses on the NATO dual-track decision and the future military and political agenda for NATO. Of the four strategic analysts contributing to this volume, two are European and two American.

Although the individual authors disagree about the military utility of nuclear weapons in Europe, they unanimously stress the political importance of maintaining such systems. For different reasons, all four conclude that the number of tactical (battlefield) nuclear weapons in Europe should be reduced and that, if necessary, the way to achieve this might be through unilateral cuts, rather than negotiated bilateral reductions.

Pierre sets the tone for the volume in his introduction by asking, somewhat rhetorically, whether conventional forces should be strengthened if the role of nuclear weapons in Europe is to be reduced. His question raises the issue of the validity of the basic assumptions underlying the doctrine of flexible response[3] and, in turn, leads the reader to question whether flexible response still continues to be the most appropriate military strategy for NATO. Pierre suggests, with some justification, that the deterrent value of conventional weapons within the NATO framework tends to be disregarded in the face of the overwhelming threat posed by nuclear weapons and the ever-present risk of nuclear war.

The recurrent theme in this volume is the political rather than military importance of the NATO decision to base 572 INF systems in Europe. Although the authors debate the military utility of deploying these systems, they concur that the decision came to be seen as a test of Alliance solidarity and, for that reason, has a political utility of its own. Furthermore, the authors conclude that the dual-track decision has offered NATO not only the long-overdue opportunity to reexamine its nuclear strategy and its emphasis on deterrence rather than defense, but also the chance to explore the no-first-use question[4] from a political and military perspective.

Like deployment, arms control too is viewed by the contributors to the Pierre volume as a highly political issue, especially in US-Soviet relations. But, in marked contrast to Staar's book, optimism concerning the importance of the arms control process and the future of US-Soviet arms control negotiations pervades the Pierre volume. Each author presents his own version of a viable arms control proposal. The authors differ on the extent of arms reductions they propose and the time frame of the reductions: Paul Warnke suggests swift and far-reaching reductions; a more moderate approach is suggested by Lawrence Freedman and William Hyland; and a phased and gradual reduction is advocated by Karsten Voigt. Such optimism is worth noting

[3]The doctrine of flexible response, codified in NATO document MC14/3 and adopted in 1967, provides the basic underpinning for NATO force structure and military policy-planning decisions. It posits that, should Western Europe be attacked, the initial level of response to that attack should equal the level of force at which the attack was initiated. For example, a conventional attack would be met with conventional response/defense. But, should this direct defense fail to contain the aggressor, then an escalation to the use of nuclear weapons is be undertaken. (Therein lies the seed of the "no-first-use" debate.) From the perspective of force structure, MC14/3 explicitly and inextricably links NATO's conventional and nuclear forces and the strategic nuclear forces of the United States, and it defines the conditions under which the different weapons systems could and might be used.

[4]The spring 1982 issue of *Foreign Affairs* contained an article by McGeorge Bundy, George F. Kennan, Robert S. McNamara, and Gerard Smith in which they questioned the accepted NATO doctrine requiring the use of nuclear weapons as a response to direct aggression—even at the conventional level—should a conventional defense fail. The authors argued that no American president could responsibly authorize the first use of nuclear weapons, even in defense of Western Europe. They advocated, therefore, that NATO reexamine its policy and formally declare that, in the event of conflict, it would not be the first to use nuclear weapons.

The idea of a public statement declaring "no-first-use" strikes at the heart of NATO's doctrine and strategy. Indeed, supporters of the flexible response doctrine point out that in order to be effective at both deterrence and defense, NATO must be able to respond at whatever level of force it deems necessary in the event of an attack. They assume an interrelationship among the various force levels, and see a willingness to use these various levels as being necessary for credible deterrence. Furthermore, they argue that, given the current asymmetries between US/NATO and Soviet/Warsaw Pact conventional forces, the West must rely on the use of its nuclear forces in conjunction with its conventional ones if indeed it is to be able to deter acts of aggression. It is in this framework that the issue of deploying the new INF systems becomes particularly salient, for flexible response requires that NATO have adequate forces at *each* of the levels necessary for both deterrence and defense.

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because the book appeared in 1984, when negotiations were at an impasse and in abeyance.

Yet, none of these arms control negotiations, although they were resumed in 1985, has resulted in an agreement. And there still remains the issue of whether "successful" negotiations—those leading to the total withdrawal of all INF systems—could potentially destabilize the East-West balance and the relations within NATO by signaling a return to the conditions that existed prior to Helmut Schmidt's IISS speech (October 1977) which provided the initial impetus for the dual-track decision. Nonetheless, the arguments made in this volume for arms control within the NATO framework and for the need to pursue negotiations remain valid.

THE FIFTH volume, *Nuclear Strategy, Arms Control and the Future,* edited by Haley, Keithly, and Merritt, all affiliated with the Keck Center for International Strategic Studies, is a compilation of statements on nuclear strategy and arms control by Soviet and American policy-makers and military analysts. These statements are organized around six themes, of which the most salient for the topics discussed here are: "The Development of U.S. Nuclear Strategy," "The Two Faces of Soviet Nuclear Strategy," and "Arms Control." Each category of statements is organized into a separate section, which is prefaced by an introduction that places these statements in context. Among the selection of statements are such classic and important pieces as John F. Kennedy's 1963 American University address,[5] Harold Brown's famous "PD-59,"[6] and Leonid Brezhnev's report to the 26th Congress of the Communist Party of the Soviet Union (March 1981) proposing a moratorium on the deployment of medium-range missiles.[7] It goes without saying that this collection in a single volume of important, but not readily available, primary source materials concerning arms control and nuclear strategy is a valuable contribution to the field.

THE DILEMMAS of arms control are far from resolved. With no agreement pending, most staunch advocates of arms control have criticized President Reagan for not living up to his election promise to "make immediate preparations for negotiations on a SALT III treaty" and to "begin arms reductions."[8] In fact, such critics charge that the President and certain members of his administration have repeatedly shown cynicism about the possibility of negotiating any meaningful agreement with the Soviet Union. For some of them, the administration's Strategic Defense Initiative (SDI) has awakened fears that extensive research on the system will constitute a violation of the terms of the 1972 Anti-Ballistic Missile Treaty. What is more, many of them see the President's decision to arm B–52's with air-launched cruise missiles as a violation of the spirit of the unratified SALT II agreement.

For their part, administration officials counter such charges by arguing that these alleged US violations do not constitute inevitable or irrevocable policy decisions. Moreover, the administration has maintained that the United States is not in violation of SALT II since the agreement was never ratified and, therefore, technically does not have the force of international law behind it. And, as many critics of arms control are quick to point out, the Soviet Union has not been blameless when it comes to violations; perhaps the most blatant recent example is Soviet construction of the phased-array radars at Krasnoyarsk, in Siberia.

Indeed, it was the Soviet Union that walked out of both the INF and Strategic Arms Reduction Talks (START) in November 1983, thereby making good its threat to abandon arms control negotiations if NATO deployed the Pershing II IRBM and the ground-launched cruise missiles as scheduled. Furthermore, it was the Soviets who refused to return to the negotiating table until *their* basic criteria were met, thereby delaying the resumption of the negotiations until March 1985. But the negotiations have been resumed. Ironically, though little progress has been made at arms control nego-

[5]John F. Kennedy's Commencement Address at American University in Washington, DC, in June 1963, is seen as a particularly important speech because it clearly stated what is the basic rationale underlying the arms control process; it defined the many goals of arms control at a time when the "arms race" was well under way; and it sent a signal from the United States to the Soviet Union concerning the "mutually deep interest in a just and genuine peace and in halting the arms race," shared by both nations (Haley et. al., p. 209).

[6]Presidential Directive Number 59 (PD-59), made public in 1980 by US Secretary of Defense Harold Brown, spelled out the targeting policy of the United States adopted at that time and how that policy differed from the previous one. PD-59 called for the selective use of nuclear weapons against a range of military, industrial, and economic targets, depending on the specific situation at hand. According to Secretary Brown, PD-59 was less a radical departure from existing strategic doctrine than a refinement and codification of previous policies.

[7]Leonid Brezhnev's report to the 26th Congress of the Communist Party of the Soviet Union in March 1981 came 15 months after the NATO dual-track decision and predated the actual deployment of intermediate range nuclear forces. Brezhnev gave the speech against the backdrop of a growing peace movement and increasing anti-American sentiment in Europe. It is an excellent example of how international politics takes place on a number of different levels. The speech (1) made a point at home about the superiority of the Soviet Union; (2) publicly set out proposals to the United States, suggesting Soviet willingness to negotiate, and questioning US sincerity to do the same; and (3) served as a propaganda tool for further exploitation of the US-European rifts.

[8]Strobe Talbott, *Deadly Gambits,* New York, Vintage Books, 1985, p. 221.

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tiations, the summit meetings between Reagan and Gorbachev in Geneva and, especially, in Reykjavik seemed at first to offer most hope for an arms control breakthrough.

These most recent events serve as footnotes to the volumes under review here. They underline the delicate and controversial nature of US-Soviet arms control negotiations and illustrate to what degree the success or failure of negotiations depends on the broader political and military environment.

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China's Socialist Commerce

John Frankenstein

DOROTHY J. SOLINGER. *Chinese Business Under Socialism: The Politics of Domestic Commerce, 1949–1980.* Berkeley, University of California Press, 1984.

SAMUEL P. S. HO and RALPH W. HUENEMANN. *China's Open Door Policy: The Quest for Foreign Technology and Capital.* Vancouver, University of British Columbia Press, 1984.

DAVID G. BROWN. *Partnership with China: Sino-Foreign Joint Ventures in Historical Perspective.* Boulder, CO, Westview Press, 1986.

E. E. BAUER. *China Takes Off: Technology Transfer and Modernization.* Seattle, University of Washington, 1986.

THE RECENT student demonstrations in major Chinese cities and the subsequent demotion of Hu Yaobang and expulsion from the party of several leading intellectuals have, not suprisingly, dominated the news coverage of China in the West. Leading scholars, both Western and Chinese, have speculated about the past and future course of Chinese politics, and a thousand or so Chinese students residing in the United States have written an open letter to the Chinese leadership protesting the severity of the party's actions.[1] The primary object of the recent intrigues of China's high politics, of course, is the whole array of economic reforms being attempted by the current regime of Deng Xiaoping, none of which has sustained foreign interest as much as the changes in the foreign trade sector and in the policy of "opening to the outside world."

Each of the four books under discussion here serves, in its own way, to illuminate these reforms and to increase our understanding of the complexity that is modern China. Dorothy Solinger's study, by far the most important under discussion here, is a masterly and comprehensive investigation of the domestic commercial system with which foreign trade must mesh; organized by theme and issue, it is a major contribution to the scholarly literature on political economy and Chinese studies. Samuel Ho and Ralph Huenemann's book is a useful monograph on foreign investment under the new "open door" policy; David Brown's short book is a handy historical introduction to that subject. And E. E. Bauer's account of his adventures working in China provides an interesting, if flawed, case study of what it is like to be a foreign business person in China.

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[1]The students delivered the letter to the Chinese consulate and the New China News Agency (Xinhua) office in New York, as well as to two New York Chinese-language dailies and *The New York Times*. The students, among other things, expressed a fear of the "recurrence of the political situation of the Cultural Revolution." See Douglas Martin, "1,000 Chinese in U.S. Endorse a Protest," *The New York Times*, Jan. 18, 1987. Some Chinese students in the United States, together with American supporters, have even formed an organization for the defense of Yang Wei, a 1985 graduate of the University of Arizona (with an advanced degree in molecular biology) and the first US-educated Chinese student arrested by Chinese authorities during the party's crackdown on dissidents. Yang's arrest in Shanghai on Jan. 11 and subsequent detention were made public by his wife, Che Shaoli, who is currently a student at Baylor College of Medicine. See "Group Wants China to Free a Student Educated in U.S.," in ibid., Late Ed., Feb. 8, 1987, p. A–14.

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SOLINGER'S *Chinese Business Under Socialism: The Politics of Domestic Commerce, 1949–1980* is an important and thought-provoking book. Although it is entirely concerned with the domestic economy and, as the title suggests, is primarily of a scholarly bent, anyone with a professional or operational interest in the People's Republic of China (PRC) will find new insights in the book. The going, however, is not easy: every page is packed with information, and the writing, while solid, is academic in style.

Solinger's primary concern is to explain what is meant by the term "socialist commerce" and how such a commercial system—which in the case of China combines remnants of a private merchant sector, different bureaucracies for distributing consumer products, and "free markets" for agricultural produce—has been affected by the planned economy, conflict among China's political elite, and technological underdevelopment. She begins with a central issue in the Chinese economy: that "commodities often substitute for currency as a medium of exchange . . . and so, like money under capitalism, are treated as a tool of power and as an object of contention" (p. 11). In other words, "trade in China," according to Solinger, "is largely a game of competition for control over goods" (p. 11), an insight that helps to explain the silent collision that occurs when capitalist firms, with their focus on cashflow and monetary rates of return, try to operate in the PRC.

The focus on commodities comes from both traditional Chinese thought and Marxism-Leninism. Because true value is created only by the production of goods, not from their distribution, profit-taking merchants are seen as parasitic by both Confucianists and Communists. The Central Plan, with its Stalinist stress on capital goods, focuses on physical output; the bureaucracy, an underdeveloped financial system, and the system of administered prices all combine to inhibit the expansion of commerce beyond the meager essentials needed for everyday living.

But, as Solinger points out, it took more than ideology and the Central Plan to reduce what once had been a thriving commercial scene to a system for the redistribution of poverty. It also needed the added boost of political struggle among the elite over how the commercial system should be organized. In the book's most intriguing argument, she suggests we best understand this as a contest between three ideal-type "tendencies": the radicals, who would stress class conflict, class benefit, and values that are both Chinese and communist; the bureaucrats, who would stress state and party control; and the marketeers, who would stress growth and distribution.

This "three-line struggle," in Solinger's view, more fully explains Chinese political conflict than the common "two-line," radical/pragmatic, left/right, red/expert dialectical interpretation. In most political contests, notes the author, each of the groups tries to form a temporary coalition with one of the other groups in order to oppose the third. Thus, Deng's policy of economic reform and of "opening to the outside world" may be seen as a victory for a bureaucratic-marketeer coalition over the radicals. At other times, such as the immediate post–Cultural Revolution period, radicals and bureaucrats combined against the marketeers. Her model can also accommodate the current backlash. Solinger suggests that regardless of how far policies may swing, the central tendency has been the bureaucratic—an observation that should temper optimists. Indeed, the current movement may represent the reassertion of this tendency, which puts a premium on the issue of control aided and abetted by ideologues and radicals, who have their own anti-liberal agendas.

Solinger goes beyond theory- and model-building to identify social groups and individuals with these tendencies. She also provides detailed case analyses of six key episodes in commercial policy-making from the opening conflicts between the state and the private sector in 1949–52 to the beginning of the period of the Deng reforms, 1979–1980. Older, particularly military cadres support the radicals; middle-aged and mid-level apparatchiks and heavy industry managers support the bureaucrats; peasants, intellectuals, and consumer industry managers support the marketeers. Politburo members Li Xiannian, Yao Yilin, and Chen Yun, all of whom have had important roles to play in the development of the Chinese economy,[2] are cited as important leaders of these respective groups.

As interesting as this line of argument is, however, I feel it is a bit incomplete. One should go farther than identifying groups with objectively obvious collective interests

[2]Li, who is from a poor peasant background and is now titular Chinese head of state, is like Mao, in Solinger's view, combining "faith in plans" with a "penchant for mobilization" (p. 81); for many years, he was in charge of the Chinese foreign trade and finance bureaucracies. Yao, a former subordinate of both Li and Chen Yun, has long experience in economic work and was a key official in the Finance and Economic Commission of the State Council. Chen was once called "China's number one economist" by Mao, and in the 1950's had a high standing in China, ranking only behind Mao himself, Liu Shaoqi, Zhu De, and Zhou Enlai. For most of his career he stood for economic modernization and efficiency and championed the interests of light industry and agriculture. Somewhat paradoxically, the popular press has labeled Chen the leader of the "conservative" opposition to Deng Xiaoping's economic policies, even though the content of those policies are not dissimilar from Chen's own views. See Solinger, pp. 76–86, for more detail on these three Chinese leaders.

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(factory managers, party officials, ministry bureaucrats, and so on) as politically active interest groups; one also has to deal with the dynamics of the webs of personal linkages—the *guanxi*—that drive Chinese elite politics. To be sure, this goes somewhat beyond Solinger's intentions, but these linkages remain essentially unexplored.

Nonetheless, as macroanalysis, Solinger's perceptions are compelling, and her arguments in support of her analysis are convincing; in any event, she is writing an account of commerce, not a psycho-political analysis.

The technology of commerce—that is, modes of transportation and storage, standardization of weights and measures, communications about market conditions—is also a key variable of Solinger's framework for analysis. Here she provides an incisive account of inefficient distribution networks and facilities, of corruption and the lack of standardization, and of the age-old involvement of the Chinese state in controlling commerce. All of these factors collided in the 1950's: the state and party moved dramatically against the merchant class and commerce,[3] while merchants and cadres often colluded against the system.[4]

Still, there is no question that small-scale traders, whose stories are set out in some detail by Solinger, have suffered under the policies of the regime. Part of the disdain they encounter is attributable to the intense political pressure of which they were once a target. As a result, despite the ascendancy of the "marketeers" in recent years, the traders still rank low on the social and political ladder. Indeed, almost 10 years after Deng's reforms were launched, traders and entrepreneurs still find themselves subject to arbitrary rules and taxes and other forms of discrimination; both ideology and envy lie behind this treatment. One private businessman, according to a recent news report, was even refused a book loan from a public library in Shanghai. "We don't serve private businessman," he was told.[5]

The competition and tension between industry and the distribution network also add to the commercial sector's woes. The industrial and commerical bureaucracies respond to different plans; prices are determined by different rules; industrial inefficiencies make it close to impossible for the factories to respond to market demand, much less to quality concerns; and the commercial side is unable to provide adequate distribution and meaningful market intelligence. Solinger remarks that while the state has tried to deal with such contradictory tendencies, the Central Plan and leaders' concerns over maintaining control have remained prime. However, given low levels of overall economic development and of the technology of commerce, the contradictions persist and, indeed, as "part and parcel of the entire economic system . . . have also hampered the realization of the solution" (p. 242).

In her next-to-last chapter, Solinger deals with the question of rural trade fairs, and the "tensions between an economically based need for free marketing in China . . . and the social and political forces that resist this need" (p. 245). It is, of course, in the countryside that the current reforms have had their most spectacular successes, just as it was there that Mao's most massive social experiments were played out. But even if the recent rapid growth in rural income and increased efficiency of agricultural production is the outcome of re-organization rather than of technological change, the extra production needs to be marketed efficiently. Still, the rural trade fair has been the focus of much political struggle in China, and Solinger's account of these ups-and-downs shows the width and breadth of those conflicts.

Solinger's conclusions are sober. The interaction of multiple (and at times competing) forces—of bureaucracy, of the Plan, of elite conflict, of the Chinese political imperative of control, of the competition for goods—will continue to dominate Chinese "socialist commerce." If economic and political goals coincide, she suggests, there will be movement toward more economic efficiency. If not, there will be continued inefficiency, perhaps even affecting those areas where considerable progress had been made.

It would be difficult to take issue with Solinger's observations, even if they have something of the air of the more things change, the more they stay the same. Yet, this is an undeniable truth about contemporary China, and I hope that this brief discussion will encourage readers to examine Solinger's evidence in detail. As for Solinger herself, the message is clear. Chinese business under socialism will continue down the road established in 1949, "an essentially state-run affair, engaged in

[3]The "Five-Anti's" campaign of the early 1950's—against bribery, tax evasion, theft of state assets, cheating in materials and labor, and theft of state economic information—exemplified the move against the private sector. The mass movement mobilized the population to speak out against profiteering and corruption, and brought enormous pressure on the private sector to submit to "socialist transformation."

[4]Some merchants banded together to form companies with official sounding names. Others gave bribes or kickbacks to officials to learn about pending state purchases of commodities, so that these goods could be hoarded, thus driving up the price, or to get crucial intelligence about shortages so that they could corner the market for goods in short supply. In other instances, merchants and cadres manipulated weights and measures for their own benefit. See Solinger, pp. 124–53.

[5]See Vigor Fung, "With Ideologues Against Them, Entrepreneurs Learn Staying Afloat in China Is No Mean Feat," *Asian Wall Street Journal Weekly* (Hong Kong), Nov. 24, 1986, p. 4.

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an uneasy rivalry with age-old Chinese entrepreneurial instincts, and striving at times to achieve ideals of equity" (p. 303).

HO AND HUENEMANN'S *China's Open Door Policy: The Quest for Foreign Technology and Capital* takes a straight-forward look, based in part on interviews and visits in China, at the PRC's post–Cultural Revolution foreign trade policy. Even though developments in China have made parts of their study a shade dated—a common fate for anybody publishing on contemporary China—it remains relevant to today's conditions. The authors, both economists at the University of British Columbia, point out that the new "open door" policy is part of a larger constellation of policy initiatives, all of which revolve around three basic issues: (1) whether China should stress political or economic development; (2) what strategy would provide the fastest economic growth; and (3) how China should manage the economy. How Chinese leaders resolve the last two issues, of course, depends on how they resolve the first. Mao's approach was political; Deng's response stresses the economic.

Still, they point out, the "opening to the outside world" does not simply mean trade liberalization and the advent of capitalism. Rather, it is a strategy to acquire technology for intensive internal growth. That, in turn, requires China to develop ways to pay for that technology—the promotion of exports and participation in the world capitalist trading system, and the utilization of foreign capital.

Throughout the book, Ho and Huenemann take an atheoretic management and macroeconomic perspective (that is to say, their thinking here is of the mainstream North American variety), with the result that the text tends toward the descriptive. However, the discussion of China's evolving economic institutions, from the centralized ministries to the Special Economic Zones in southern China, helps make the complex clear. They outline the various forms of joint ventures possible under Chinese law, provide an organization flow chart of the foreign trade bureaucracy, and describe the formal relations between the Ministry of Foreign Economic Relations and the various foreign-trade organizations that exist at all levels in China today.

Ho and Huenemann also provide some brief case studies that demonstrate both the opportunities for entering into and difficulties of maintaining joint ventures in the PRC. Forming a joint venture did give Schindler, the Swiss elevator manufacturer, access to the China market, but (at the time of their writing), China-Schindler was having difficulties with reaching management decisions and then implementing them; the firm likewise found it difficult to deal with domestic suppliers since, institutionally, the suppliers belong to a different bureaucracy. Nike, the athletic shoe manufacturer, may have seen China at first as a low-cost producer, but it encountered severe problems of quality control because the shoes made by the Chinese factories were well below Nike's standards. (Still, note the authors, the shoes were of better quality than those factories had ever produced.) Ho and Huenemann also include a detailed discussion of joint ventures in the energy sector, the development of which is essential for the realization of China's modernization plans.

They conclude with a most useful account of the problems and prospects for foreign investment in the PRC. The major issues revolve around the difficulties and uncertainties of matching essentially incompatible economic goals—of meshing profit-oriented business with state-run bureaucracies that are sensitive to political goals first and economic objectives second. The emerging Chinese legal system remains largely untested and uncertain; transaction costs are high; the general Chinese business environment poses difficulties for the uninitiated; access to the Chinese domestic market remains extremely limited; and Chinese financial and accounting procedures are antiquated. Still, Ho and Huenemann look to the bright side. Although Chinese foreign trade is quite small in relation to the overall economy, they see the "open door" not only as one through which the technology for modernizing China will flow, but also as one which, if kept ajar, will bring in "innovative attitudes" that will enhance the tradition of self-reliance. It will be interesting to see if avid supporters of the "open door" will seize upon this sort of explanation to try to further their cause.

DAVID BROWN'S study, *Partnership with China: Sino-Foreign Joint Ventures in Historical Perspective,* began life as an MBA thesis, and still shows some signs of that academic exercise. Still, it is a gracefully written piece that should find its place on the China trade bookshelf, especialy since it provides the historical background that Ho and Huenemann, with their focus on the current scene, omit.

The book's main contribution lies in its opening chapters, a convenient summary of a large body of Western historical and economic research on Chinese foreign trade from the Han (206 B.C. to A.D. 221) to the contemporary era. Brown writes that although the size and richness of China served as a "magnet for trade" from the earliest times, the Chinese state, disdainful of mere commerce as "parasitic" (shades of later attitudes!), attempted to exer-

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cise strict control over it and to force it into the mold of traditional tribute relations.[6] Furthermore, from as early as the 8th century, he points out, customs duties had become a major source of government revenues. In other words, China has had a substantial history of economic relations with the outside world, if not specifically with the Western world.

The main themes are of attempts by the Chinese state to control foreign trade and of a symbiotic relationship between the foreign traders—be they Tang Dynasty (A.D. 618–907) Persians or 19th-century Westerners—and licensed traders, the arms-length representatives of the Chinese ruling classes. Eventually, under an increasing Western trading presence, this developed into the "co-hong" system of officially sanctioned Chinese merchants,[7] and later, in the Treaty Port era, of the comprador, a Chinese merchant employed by Western firms who served in partnership as an intermediary between foreign businessmen and Chinese society.

Brown traces the progression from the co-hong trader to the comprador and eventually to the independent Chinese merchant acting in concert with the foreign business partner. By the end of the Qing Dynasty (1644–1911), there were both extensive foreign participation and growing Chinese participation in the key modern sectors of the economy, patterns that continued into the Republican period (1912–49).

World War II and the subsequent Communist victory in 1949 substantially affected these trends, of course. In the second half of the book, Brown picks up his story with a summary of Chinese foreign trade developments since the new "open door" policy was declared at the end of 1978. As a quick introduction to the subject, the account here will be useful, but it is primarily descriptive and breaks no new ground.

Brown's concluding observations on the Sino-foreign joint venture experience stress historical continuities. He shows how in the 19th century, foreign firms, through the comprador system, coped with the difficult Chinese environment by becoming Sinicized, just as Chinese firms, hoping to interact with international trade system, had to modernize (some might say, "Westernize"). He also notes the continuing importance of the South China coastal region in trade, and, more important, "the tension between the more pragmatic south and the relatively puritanical and conservative north." This persistent ideological tension, be it inspired by the neo-Confucianism of the Song school of Rationalism, Sun Yat-sen's Three Principles of the People,[8] or Marxism-Leninism-Mao Zedong Thought, lies behind the heavy hand of the state in China's foreign trade.

FINALLY, we come to E. E. Bauer's *China Takes Off: Technology Transfer and Modernization*. It is difficult to categorize this book as anything more than a short personal recollection masquerading under a title that leads one to expect an informed study of technology transfer. The volume bears the imprint of a serious university press and leads with a short introduction by Michel Oksenberg, who needs no introduction to readers of this journal. Somebody should have known better.

This is not to say, however, that the book is without interest. Bauer was in China between 1980 and 1984 as Customer Support Manager for the Boeing Commercial Airplane Company. When he writes about what he knows—aircraft—he comes across as serious, competent, and resourceful. Not surprisingly, the most interesting and useful parts of the book are his discussions of his direct experience in working with the Civil Aviation Administration of China (CAAC).

Like General Joseph Stilwell, who locked horns with Chiang Kai-shek four decades earlier,[9] Bauer found his Chinese colleagues intelligent, hardworking, and highly trainable, but oppressed by poor management, counterproductive work rules and habits, and a certain anxiety about working with foreigners. Take, for instance, the "hydraulic problem." The Boeing aircraft flown by CAAC had developed problems with the hydraulic pumps, and

[6]The Chinese imperial tradition held that China was at the center of the civilized world and that the Chinese Emperor, "The Son of Heaven," was therefore the ruler of all civilization. Thus, local Asian rulers would send elaborate gifts along with their diplomatic missions, as "tribute" to the Dragon Throne. In the 18th and 19th centuries, European diplomats and traders were initially perceived by the Chinese court as being tribute bearers, much to the dangerous frustration of the Europeans.

[7]Under the co-hong system, only officially approved merchants could trade with the Europeans, who were restricted to isolated and unimportant ports in southern China, such as Hong Kong. These merchants were under the nominal supervision of the state, since it was imagined that in this way the Western traders could be fended off and China protected from their influence.

[8]Sun's three principles were nationalism, democracy, and socialism. The first, People's National Consciousness, called for the overthrow of the Manchus and the removal of the yoke of imperialism; the second, People's Rights, sought to expand the basic rights of Chinese citizens and protect those rights through a separation of powers; the third, People's Livelihood, stressed the need for a more equitable distribution of capital and land. See, e.g., Immanuel C.Y. Hsü, *The Rise of Modern China*, 3rd ed., New York, Oxford University Press, 1983, pp. 459–65.

[9]"Vinegar Joe" Stilwell's open distaste for Chiang is legendary. Stilwell, Chiang's American chief of staff during the Pacific War, admired the average Chinese soldier but belittled Chiang's leadership. His blunt, and often acerbic, assessments of the Generalissimo's ability as commander caused a major crisis in September 1944. Stilwell lost his battle with Chiang and was recalled one month later. See, e.g., Barbara W. Tuchman, *Stilwell and the American Experience in China, 1911—1945*, New York, Macmillan, 1971.

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Bauer's first priority was to resolve these difficulties. What he found suggests that Hu Shi's "Mr. Almost"[10] was alive and well in CAAC's maintenance organization. The Chinese substituted substandard, look-alike material for more expensive but certified lubricants, gaskets, and seals; they reused contaminated filters which simply reintroduced grit into the hydraulic system; they refused to replace outdated but superficially still serviceable hoses; and the repairshops were dusty and thus unsuitable for precision machinery overhauls. Eventually, after 18 months of intense work, Bauer and a colleague —who suffered a heart attack apparently because of the pressure— were able to persuade CAAC to bring maintenance procedures up from what he terms "a bailing-wire-and-rope" philosophy of repair to acceptable "aircraft quality" standards.

But still, a "petty cash" mentality played havoc with proper maintenance procedures. Workers used inferior-grade oil to wipe landing struts, and this led eventually to the deterioration of seals and the struts themselves. Similarly, workers ignored published repair procedures and lost maintenance documentation, all the while preferring a "hands-on" or intuitive approach to keeping a $50 million aircraft in the air.

Bauer also recounts his adventures with the Chinese bureaucracy—ranging from eight-person Beijing Hotel room-cleaning crews to more intractable officials—in a most entertaining fashion. Faced with a large and unexpected import duty for a piece of machinery brought in for CAAC's benefit, Bauer stood his ground and eventually paid a "deposit" of 1,000 renminbi (RMB) which would eventually be refunded—without interest—upon re-export of the equipment. This and other instances in Bauer's story show the virtue of polite but steadfast assertion of sound business practices even under provocation, and the necessity of appreciating and coping with the restraints of a difficult environment. Bauer's story also underlines the importance in business—sometimes not fully recognized by non-practitioners—of having the appropriate business and technical skills. After all, the head of the Boeing support team must be someone who knows airplanes; the Sinological niceties can be dispensed with at 35,000 feet.

Unfortunately, however, Bauer's interesting anecdotes—which will sound familiar to those who have worked in China—are padded out with what appear to be clumsy re-writes from tour guides, summaries of articles from *China Daily*,[11] and naive observations about the "nature" of the Chinese. For instance, Bauer observes that the Chinese smile a lot, and that this seems to be "out of place in the austere [Chinese] environment" (p. 41). The reason: "With many sounds beginning deep in the throat, words are enunciated with the teeth essentially closed. When producing sound, the lips are forced open, and the cheeks assume a natural smile. Thus, as Chinese age, the smile-wrinkles become a permanent feature of their faces" (p. 41).

Ordinarily one would ignore this kind of poorly written nonsense. But when it appears in a university press book—which in itself is a kind of endorsement—it is clear that both the author and the reader have been badly served by the editorial process. Furthermore, there is the chance, not so remote, that these kinds of observations will be taken seriously by people without much background who are preparing for a China assignment. Reinforcement of faulty stereotypes ill prepares one for work in a demanding environment.

Still, it would be difficult to argue with Bauer's conclusion that technological modernization and change in China will be measured not in years but in generations. All of the studies reviewed here remark upon the immobilism of the Chinese bureaucracy and the persistence of age-old habits of mind. And all point up the dilemma faced by the authorities of the People's Republic: the demands of bureaucratic control and the requirements of efficient technological development are at odds. Our understanding of how this contest will work out is enhanced by our authors—but the continuing game, of course, will be played by the Chinese themselves.

[10] "Mr. Almost" (*Chabuduo Xiansheng*) was the central figure of a short story written by Hu, China's first Western-trained Ph.D. (a student of John Dewey) and a prominent intellectual in China's New Cultural Movement of the latter half of the second decade of this century. Mr. Almost, emblematic of all Chinese who settle for partial or half-baked solutions, eventually dies because he fails to get proper medical care. When seeking a doctor to help remedy his illness, Mr. Almost ends up at a veterinarian, which does not particularly alarm him since a veterinarian, he reckons, is "almost a doctor." Mr. Almost soon became a symbol of Chinese complacency and immobilism.

[11] *China Daily* is an English-language newspaper edited and published in Beijing and distributed at home and abroad. It is aimed at the foreign business community and focuses on usually upbeat stories about the China trade. While it has an astonishingly good international sports page, it is hardly an authoritative source on current Chinese affairs.

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A Chinese Revolutionary's Odyssey

John Israel

YUE DAIYUN and CAROLYN WAKEMAN. *To the Storm: The Odyssey of a Revolutionary Chinese Woman.* Berkeley, University of California Press, 1985.

OF THE MANY good things that have emerged from China's recent opening to the outside world, it would be difficult to find a better concrete example than this book—the product of collaboration between Yue Daiyun, Associate Professor of Chinese Literature at Beijing University (Beida), and Carolyn Wakeman, Research Associate at the University of California's Center for Chinese Studies at Berkeley.

In as much as it is an autobiography of a Chinese intellectual, written with an American collaborator, *To the Storm* brings to mind Liang Heng and Judith Shapiro's *Son of the Revolution* (Knopf, 1983). But Yue Daiyun is 23 years older than former Red Guard Liang Heng, and she presents the very different perspective of an intellectual politically socialized in the late 1940's and early 1950's. Because Yue is committed to living and working in China, her gamble in going public with her story is also much greater than Liang's. Thus far, however, both have been vindicated in their confidence in the tolerance of China's authorities. Liang and Shapiro have been able to return to China (following which they wrote a searing account of present-day society, *After the Nightmare*), and the Yue-Wakeman volume has been favorably reviewed in *China Reconstructs* (October 1986), the English-language edition of *Zhongguo Jianshe,* a general information monthly published in Beijing.

Yue and Wakeman met in 1981, while Wakeman was teaching at the Beijing Foreign Studies University, and began their partnership two years later in Berkeley, where Yue had taken up a post as a research linguist. Wakeman helped to record Yue's life "so that future generations [of Chinese] could know, and consequently judge, the events of those three tumultuous decades" (i.e., 1949–1979). The book developed through a series of meetings, discussions, writings and rewritings, and it was concluded, as Wakeman notes, after Yue had returned to China:

Thus, while the experiences, the sentiments, the insights, insofar as I could reproduce them accurately, are always Yue Daiyun's, the words, the sequence, and often the synthesis are necessarily mine. (p. xix)

The success of such a team effort necessitated an extraordinary degree of mutual understanding and trust. The appearance of this book, thus, testifies not only to painstaking scholarly cooperation but to the most profound kind of friendship.

THE NARRATIVE begins in 1958 during the anti-rightist campaign.[1] Yue is 26 years old and a faculty member of Beijing University. Before her lies a promising career in the party. But China's intellectuals are on probation, under the watchful, suspicious eyes of party authorities. Yue is herself caught in the party's net of anti-rightism, and she and her family begin a 20-year odyssey of "reeducation" and reform.

After the abortive liberalization of the "Hundred Flowers" period, the

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[1]The anti-rightist campaign was launched in mid-1957 as part of the effort to reimpose the authority of the party, which had been criticized by so-called "poisonous weeds" during the height of the "Hundred Flowers" campaign (begun in May 1956). The anti-rightist campaign turned into a vendetta against alleged "bourgeois" elements among the intellectuals and within the Communist Party.

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Communist Party has reached a historic juncture in its relations with China's intellectuals. Can an educated elite—compromised by unfavorable class backgrounds, mentally poisoned by bourgeois ideology, tarnished by a long history of ties to the West, and separated, for all these reasons, from the vast majority of its fellow citizens—ever be accepted as unreservedly loyal to a regime that speaks in the name of the proletariat?

Yue's account shows how the intellectuals are tested, found wanting, thrust aside, and trampled under foot during 20 years of turmoil. The book takes its title from a poem she wrote in the spring of 1957 in premonition of the anti-rightist tempest and burned in 1966 in anticipation of the Red Guard vendetta.

Much of Yue's account is devoted to the convoluted politics of the Cultural Revolution. Her entire family, which has fallen under the shadow of a mother with a "rightist" cap and a father—philosophy professor Tang Yijie—who supports "bourgeois academic authorities," undergoes further suffering after Tang is coopted into Mme Mao's (Jiang Qing) "gang of four" braintrust.[2] As a result, when college entrance examinations are reinstituted in 1977, the children's high scores are nullified by their father's compromised background.

All's well, however, that ends well. By 1979, Tang Yijie is allowed to resume his career, the children are admitted to universities, and Yue Daiyun, finally exonerated of her "rightist" crimes, is reinstated as a member of the party.

Some Western readers see this book as a political apologetic. They find it difficult to believe that an intelligent woman who gave her life to the party only to be betrayed, reviled, and finally expelled could retain enough hope to rejoin the party some 21 years later. These readers, it seems, are unable to come to terms with the events of the early years of the People's Republic—deftly but episodically recalled in flashbacks—that immediately preceded the bitter experience about which Yue speaks in such detail.

Most people can appreciate how the corruption and incompetence of Chiang Kai-shek's Kuomintang (KMT) during its later years contrasted with the positive image of Yan'an-style communism to persuade many Chinese intellectuals to join the revolution. What they fail to understand is the period from 1949 to 1957. During this time, American accounts of China were filled with stories of violent rural reform, executions of "counter-revolutionaries," and campaigns against scholarly targets such as Hu Shi and Hu Feng. Particularly disturbing were reports of thought reform of Chinese intellectuals. Famous scholars were depicted as being forced to grovel before representatives "of the people," totally renounce their pasts—especially their American educational, intellectual, and personal ties—and declare their willingness to become new people under the benevolent guidance of the party. Reading such accounts, many outsiders could only conclude that China had become a totalitarian state on the Orwellian model.

What many of us did not grasp—and to a large extent still do not—is that for most Chinese intellectuals, especially the younger ones, this same period, the early and mid-1950's, was an exciting and promising episode in Chinese history. For the first time in living memory, China was united. For the first time in more than a century, no foreign troops occupied Chinese soil. Now China could hold its head high among nations. Now China had an army with roots among the people and respect for the people—not simply a gang of brigands in uniform. Its new officials, dogmatic and ill-educated though some of them might be, not only professed revolutionary ideals but had demonstrated a commitment to such ideals through sacrifice. Indeed, the party's idealization of Spartan living, revolutionary dedication, and incorruptibility both in the army and among civilian cadres provided Chinese youth with models to respect and emulate.

For Yue Daiyun, whose political socialization had begun during the Japanese occupation of China (1931–45) and the decline of the Kuomintang, the early and mid-50's were great years indeed. At 19, she had been a delegate to the World Student Congress in Prague. By 25, she had published a dozen articles and was a rising star in her field of modern Chinese literature. Her philosopher husband was another bright light among the Beida junior faculty, and her father-in-law, Tang Yongtong, was vice-president of the university. As a recognized leader of her generation, she enjoyed prestige and rewards that undoubtedly served to reinforce her loyalty to the party. Not being a member of a landlord's or rich peasant's family, she felt none of the wrath unleashed against such "class enemies" during China's rural revolution. Not being a famous older intellectual, she was under no pressure to renounce her past. On the crest of revolutionary optimism, she floated through the first eight years of the new order, rooting firmly her deeply-felt patriotism, her strong identification of her personal destiny with that of her people, and her confidence in the party—all of which were to sustain her through the bitter years ahead.

[2]In her drive for power, Jiang Qing gathered a group of famous scholars, including noted philosopher Feng Youlan, to provide academic authority for her radical ideology. Among the manifestations of this development was the "Criticize Lin [Biao], Criticize Confucius" campaign of 1973–74.

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By her own account, Yue was scarcely a political innocent. As head of a "land reform team" in the early 1950's, she participated in "revolutionary violence," even sending men to their deaths. As a member of the Democratic Youth League, she urged her teacher, the famous writer Shen Congwen, not to flee to Taiwan, only to see him "attacked in 1952 for his bourgeois viewpoints, dismissed from Beida, and condemned to a tedious and isolated position as an archivist in the Palace Museum" (p. 87). In 1957, she served on a committee that helped to single out faculty rightists. Clearly, she lived by the credo that "individual injustice must always be considered far less important than maintaining the authority of the Party" (pp. 41–42).

FROM 1949 to 1957, Yue is given ample opportunity to test her assumption that the party is always right. Yet, as she ventures into the world against the storms of the Chinese revolution, she is armed only with this simplistic credo. Thus, she resembles Voltaire's Candide, who tests the Panglossian bromide that "All is for the best in this best of all possible worlds" against the cruelty and ignorance of the real world.

When the ax finally falls, it falls quickly; and Yue goes incredulously to be pilloried by friends and colleagues for rightist crimes. Surely, she thinks, they have made a mistake! They have gotten the wrong person! This couldn't be happening to me! But there has been no mistake: this time the ox to be gored is hers. The revolution is claiming one of its own.

Like Candide, however, Yue Daiyun does not easily shed her faith or naiveté. Time after time, she draws upon what seems an endless reserve of revolutionary optimism. She is torn from her family, including a newborn son, and subjected to a demanding and often degrading regimen of "reform" in the countryside, only to come to the conclusion that "the positive aspects of these two years outweighed the negative" (pp. 101–02).

Bourgeois individualist that he is, Candide ends up cultivating his own garden. Yue Daiyun, loyal daughter of the revolution that she is, decides that she must work through the vanguard of Master Gardeners. Like Candide, she can never again see the world through the bright, hopeful eyes of youth—but neither can she turn her eyes away. She will view a tarnished world with a warier gaze, making the best of unsightly realities.

Yue's tale is full of promises unfulfilled, of hopes cruelly dashed. Perhaps the most poignant episode occurs in the spring of 1963. Her rightist cap has been removed, she is allowed to resume teaching, and she is just beginning to enjoy some semblance of a normal life. After three years of disasters, China is enjoying an economic recovery. And her beloved father-in-law, in improved health following a stroke, has chosen her as one of five family members to occupy highly-coveted seats in the reviewing stand for the October National Day celebration. When the great day arrives, Chairman Mao stops to say a few kind words to her father-in-law and to shake her hand:

All the suffering I had undergone seemed worth this personal encounter with the man I regarded reverently as the savior of my country. United with my countrymen in a sense of common purpose and mutual commitment, I considered that perhaps even the Anti-rightist Campaign had been worthwhile if the country was now stabilized again, its internal enemies routed, its path of socialist construction cleared. When I left Tiananmen Square, a new passion burned within me. (p. 112)

The euphoria is short-lived, however. A few days later, a Beida party committee member visits Tang Yongtong and warns him that it was wrong to have invited Yue to attend the festivities even though her rightist cap has been removed: "She might seek revenge, he suggested tactfully; you cannot know what she might be thinking." Having reaffirmed the party's continued esteem for Tang's integrity, the cadre "urged him to be more alert to class struggle matters" and expressed the party committee's hope that he would "refrain from similar actions in the future" (p. 114).

Although "deeply offended," the elder Tang has little time to nurse his wounds. By the end of the year, he is bedridden again. On May 1, 1964, he dies. His last words, we are told, are "Long Live May 1st!" (p. 116).

FULLY HALF of the book is an insider's account of the Cultural Revolution at Beida. Having paid her dues during the anti-rightist movement, Yue Daiyun is considered a "dead tiger" and left alone, but all around colleagues and loved ones are swept up in the holocaust that turns China's proudest university into a living hell. At the end of a chapter entitled, "Long Live the Red Terror," she reflects on the summer of 1966:

. . . in the brief span of those chaotic weeks unimaginable pain and suffering had been inflicted on my own family and those around us. My husband had become a major target of attack, my teacher beaten, my children threatened, my family divided, Fourth Aunt sent to face unknown hardships, my leader, my neighbor, my mother all dead, while around us had been unleashed a kind of madness, a level of violence and cruelty so extreme that it was impossible to

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absorb, intolerable even to contemplate. I had no thought about the past or the future, just a kind of dogged determination to help the rest of my family survive. (p. 193)

With the campus a battlefield, small wonder that Yue turns down an opportunity to remain behind when her colleagues are shipped off to a May 7th school.[3] Unable to "learn from the peasants"—from whom they are totally isolated—Yue and her fellow intellectuals spend a year building a camp in the middle of rural Jiangxi's wasteland, followed by a second year in which the place is redubbed a "branch campus" of Beida. To this instant university come eager worker-peasant-soldier students, but they find no books, no paper, not even a crumb of hope of the education they had been promised. By the time the place is closed down, not only has a fortune in human and material resources been wasted, but hundreds of transplanted urbanites have fallen ill from schistosomiasis and dysentery, and 15 have died from accidents, disease, and suicide.

The Beida to which Yue, her husband, and son return in 1971 is nearly in ruins. Their daughter, once an idealistic volunteer, has become a virtual prisoner in a labor camp on the Soviet frontier, and Yue's future and that of her family and her country are in doubt. Nonetheless, not until the story of the 1971 Lin Biao affair[4] begins to leak out does her political faith begin to waver:

Even though I had been dismissed from its ranks, I still idolized the Party, believing it to be almost sacred. During the Cultural Revolution I had seen ample evidence of corruption in the private lives of high officials, but I had dismissed this as an individual problem, trusting that after a while such weaknesses could be eliminated. Now it seemed indisputable that the corruption permeated the whole system. (pp. 308–09)

How does Yue Daiyun retain confidence in her country and its people as she gropes her way through the Kafkaesque nightmare of China's "misguided revolution"? The answer is to be found in the Chinese people themselves—in the few fellow intellectuals who behaved with honor and decency, but even more so in the simple peasants among whom she was thrust from 1958 to 1960 to atone for her rightist sins. In Tang Yongtong she sees a benign and sagely presence that provides a calm in the eye of the storm. Tang is dignified, humane, moderate, judicious, and above all tolerant. In the ordinary peasants she sees human kindness, in contrast to the self-righteous Red Guards and the cold, vengeful cadres assigned to oversee her reeducation.

The lessons she learns are not the ones that her persecutors had hoped she would absorb. First, she "couldn't help wondering . . . about the fairness of the sentences [that had been] leveled against the landlords and other enemies with whom [she] was suddenly grouped" (p. 67). Second, she came to appreciate and respect the ordinary peasants not because they possessed the "correct" dogmas and class backgrounds, but because they actually treated her as a human being.

THE ONLY PERSON treated with less than total candor in this otherwise brutally honest book is Yue's husband, Tang Yijie. From her own account, it is clear that Tang played a role that can accurately be described as intellectual lackey for the "gang of four." Not only did he turn his back on persecuted fellow intellectuals, he also provided the "gang" with ammunition to use against the moderates headed by Zhou Enlai and Deng Xiaoping.

But perhaps we cannot expect the author of even the most unvarnished account to vilify her own husband. After 20 years in which public denunciations of parents and spouses were altogether too common, Yue Daiyun might well be justified in treating such matters with a delicate touch. Furthermore, her narrative, as it stands, is in some ways even more valuable and more revealing than a condemnation. She shows how, after years of persecution, the offer of honor and respect was able to seduce a serious—albeit ambitious—scholar into becoming a political tool. Yue explains why it was not at all unnatural for Tang Yijie, a staunch supporter of Lu Ping and Peng Zhen in 1966,[5] to join Jiang Qing's braintrust in 1974.

In the process of telling the truth, Yue Daiyun lays bare the pattern of hypocrisy that she—and most others who wanted to survive—practiced virtually as a matter of course for more than 20 years. Her own testimony vividly reveals how she time and again suppressed skepticism or disbelief and said what the leadership expected her to say. After deceiving herself, and others, for so long, Yue decided that she finally had to tell the truth. However, there are many others who no doubt went through comparable experiences, but who, because of a lack of courage and candor—as well as, I would add, a Carolyn Wakeman to serve

[3]May 7th Schools were thought-reform camps to which thousands of intellectuals and officials were sent during the Cultural Revolution.

[4]Lin Biao, the hand-chosen successor to Chairman Mao, was suddenly denounced as a traitor who had been killed while trying to flee to the Soviet Union after an abortive plot to assassinate the Chairman.

[5]Beijing University President Lu Ping and Beijing Mayor Peng Zhen, early victims of the Cultural Revolution, were vilified and persecuted by Jiang Qing and her radical associates.

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as moral confessor and intellectual midwife—will remain passive, compliant opportunists throughout their lives. Even worse, some intellectuals, having become accustomed to placing greater value in being "correct" than in being honest, may have lost the ability to distinguish truth from falsehood, thus denying China the cadre of critical intellectuals it so desperately needs.

SOME READERS may conclude that the stupidity, cruelty, and misery revealed in Yue's account were a logical outcome of a system headed by an omniscient party and a Supreme Leader. They may also expect Yue to come to a like conclusion. Such readers would probably have Yue end her account by rejecting, on principle, a chance to rejoin an organization that not only had repaid her loyalty and that of so many others with hostility and persecution but one that had also led China from one disaster to another. Chinese of an ultra-orthodox bent, on the other hand, might prefer her to "accept, tearfully," an invitation to rejoin the party and to rededicate herself to "the building of Socialism with Chinese characteristics," and to the "Four Modernizations."

But Yue Daiyun is neither a detached scholar nor a sloganeering aparatchik but a courageous and intelligent Chinese patriot. She is not content to sit on the sidelines while others determine the future of the country for which she has sacrificed so much. What she says is far more true to life than any formulaic ending and, I think, far more typical of the thinking of her contemporaries. "I had grown discouraged about the Party's policies and skeptical about its leaders," she says. "But I could not forget all those who had died for its cause, sacrificing their lives for the ideals of Liberation . . . . even as I recalled the disappointments of my own life and the tragic loss of my friends, I realized that some flame still burned in my heart . . . ."

Surely the hardships, the losses suffered together would not be redeemed unless we strove to keep that flame alive. I would join in the efforts to rebuild the Party, convinced that whatever its past mistakes, it alone could lead China forward. I was far less confident of success than in 1949 and far less certain that I could contribute, but I knew that I had to try. (pp. 386–87)

Nobody who has lived in China recently can doubt that the enduring loyalty to party and nation that she expresses is typical of countless others like her—any more than one can doubt that her skepticism is widely shared.

Heraclitus once observed that a man cannot cross the same river twice because both man and river are in a process of continual change. Yue's relationship with the party bears out the Greek philosopher's observation. At the outset of her odyssey, Yue is a faithful member of the party; by its end, she is a newly reinstated member who has endured a 21-year political exile. But things have not come full circle either for Yue Daiyun or for the CCP. Neither resembles what it was three decades ago, and the conditions of her membership have, therefore, changed irrevocably.

Since she rejoined, the party has taken at least the first step in coming to terms with its own history. It is a sobering fact, however, that the anti-rightist movement is still not officially interpreted as an unqualified abomination but rather as a necessary action carried to unfortunate extremes. Even more sobering, shortly after Yue Daiyun rejoined the party, another generation of dissenters from the officially-defined Truth was hustled off to prison and "reform through labor."[6] Yue ends her story in 1979 and forgoes any temptation to comment upon these ironies, but the compassion her travails have reawakened in her are clearly reflected in her 1971 views of the Red Guards, at whose hands she and her family had suffered so much:

These thousands of young people still seemed worthy of our respect; their courage, resourcefulness, and resilience had all been amply demonstrated. Their idealism, their fervor, their desire to contribute to their country, as well as their loyalty to Chairman Mao, were surely incontestable. Yet now their reputation had plummeted, and I wondered what their future would hold. Lacking skills as well as education, habituated to an absence of discipline and a disrespect for authority, they were considered undesirable by leading officials in the army and factories alike, and were consequently just sent away to do labor in remote areas of the countryside. (p. 302)

"The younger generation had perpetrated the turmoil," she reflects, "but they seemed destined to pay a higher price even than we, the revolution's intended victims" (p. 321).

Yue's magnanimity is a valuable asset as she reenters the party. Though she does not tell us exactly what she hopes to accomplish by working within, we may assume that a party humanized by the presence of the Yue Daiyuns of China will at least have the negative virtue of softening the urge to persecute heretics. If she and her comrades achieve nothing else, they will have helped to build a most appropriate memorial to Tang Yongtong.

[6]The most famous of these dissenters was Wei Jingsheng, whose essay, "The Fifth Modernization," epitomized the democracy movement in late 1978 and early 1979. Although the movement had helped to return Deng Xiaoping to power, Deng subsequently turned against it. Wei Jingsheng currently is serving a 15-year prison sentence.

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